MINISTRY ANNUAL REPORTS
2001 / 02

BRITISH
COLUMBIA

Ministry Annual Reports

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BRITISH COLUMBIA GOVERNMENT

ANNUAL REPORT
2001-02

A NEW ERA UPDATE

BRITISH
COLUMBIA

National Library of Canada Cataloguing in Publication Data
British Columbia.
Annual report. - 2001/02-

Annual.
"A new era update."
ISSN 1703-3078 = Annual report - British Columbia

1. British Columbia - Periodicals. 2. British Columbia - Politics and government - 2001- - Periodicals. I. Title. II. Title: British Columbia Government annual report.

JL439.B7B74 351.711'05 C2002-960142-8

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MESSAGE FROM THE PREMIER

I firmly believe that government must report regularly to its citizens on the status of its initiatives. People voted for this government on the basis of our platform. Therefore, over the past year my government has pursued its New Era commitments. This is the first time the British Columbia government has produced a document for the public that sets out what it has done to meet our commitments. The aim of this document is to provide the public with a clear understanding of government's operations and achievements for the 2001/02 year. In future, we will produce a report like this annually.

Citizens want those providing public services to do it well. They rightly ask: "How much is it costing me?" "Where is that money going?" Our government has worked over the last year to rethink how government provides services to British Columbians. We have reviewed all programs and services provided by government in order to determine whether they are still relevant in today's modern economy and to the families it serves. We have also examined whether critical services can be delivered more efficiently, effectively and economically. The result has been a reshaping of government. We believe these changes will result in a new era of hope and prosperity for British Columbians.

Speed and flexibility are the hallmarks of success in the 21st century. We have worked quickly to deliver on our New Era commitments. This report outlines the status of the major policies and priorities we have pursued over the last year, which were set out in both the New Era document and my June 25th letter to each Cabinet Minister. While this annual report takes stock of the last fiscal year, it is important for us to look for long-term results that meet our goals. Government has already looked toward the key decisions that have to be taken over the next several years. These decisions are outlined in the Government's Three-Year Strategic Plan 2002/03-2004/05 and ministry three-year service plans.

I hope this document conveys the government's determination and passion to improve the lives of British Columbians, our commitment to provide top-quality public services, to ensure we have a strong economy and a sustainable environment, and to enable British Columbians to fulfill their aspirations through better education in our schools, stability in our health-care system, and safety in our communities. We want British Columbians to reach their full potential. While I believe we have made some good progress, I recognize in many areas it will take more time to achieve our goals. We can be proud of our accomplishments in 2001/02, particularly given the fiscal challenges we face. I would like to acknowledge the efforts of thousands of British Columbians, in the public service and beyond, who are working to make British Columbia the best place to live, work and build a future.

INTRODUCTION

2001/02 was a transition year, with a new government sworn into office on June 5, 2001. In June 2001 the newly appointed government substantially restructured all government ministries and put in place a significant new policy direction. Later in the year, ministries proceeded through the Core Services Review, which refined their mandates. These changes have a direct impact on the reporting structure for the 2001/02 fiscal year (April 1, 2001 through March 31, 2002). In normal circumstances, an annual report would relate back to the corresponding plan and report on the results achieved compared to that plan. For 2001/02, a government plan and ministry performance plans were filed on April 30, 2001. These plans were produced by the previous administration and relate to the former ministry structures and policy direction. Given the significant reorganization of government and new public policy direction, the government's 2001/02 annual report focuses on the new direction of government since June 5, 2001.

In February 2002, the Government of British Columbia published the British Columbia Government Strategic Plan 2002/03 - 2004/05, "Restoring Hope and Prosperity." This is the new government's first plan that outlines performance targets and measures for all areas of government, and is designed to provide direction for major government priorities. The government's annual report for 2002/03 will report on the progress made toward the performance measures and targets outlined in the strategic plan.

The strategic plan defines the vision and core values of the government, and sets out a direction and plan for policies and programs to meet the government's goals. The main elements are outlined below.

VISION

British Columbia is a prosperous and just province, whose citizens achieve their potential and have confidence in the future.

CORE VALUES

- *Integrity: to make decisions in a manner that is consistent, professional, fair and balanced*
- *Fiscal Responsibility: to implement affordable public policies*
- *Accountability: to enhance efficiency, effectiveness and credibility of government*
- *Respect: to treat all citizens equitably, compassionately and respectfully*
- *Choice: to afford citizens the opportunity to exercise self-determination*

*In keeping with government's vision and values,
three strategic goals have been identified. These goals are:*

VISION

British Columbia is a prosperous and just province, whose citizens achieve their potential and have confidence in the future.

GOAL 1:

A strong and vibrant provincial economy.

GOAL 2:

A supportive social infrastructure.

GOAL 3:

Safe, healthy communities and a sustainable environment.

MANAGEMENT THEMES FOR GOVERNMENT

Government is innovative, enterprising, results oriented and accountable.

The government's 2001/02 annual report is structured around these three goals. The report outlines the government's major public policy commitments and reports on the progress made toward achieving these objectives in 2001/02 through the implementation of a wide range of policies and legislation undertaken throughout government.

One key initiative for 2001/02 was the passage of the amended *Budget Transparency and Accountability Act*, which requires ministries to prepare three-year service plans outlining their priority initiatives, performance measures and performance targets. Provisions of this act also require government and ministers to make annual reports public by August 31 of each year that compare actual results against the government's Three-Year Strategic Plan and ministry three-year service plans. Other government entities, such as Crown corporations, are required to adopt a similar planning and budgeting framework. The government's annual report is the umbrella for individual ministry reports, which are being published in tandem with this document.

This is the first government annual report produced by British Columbia's government under this legislation. We have made a conscious effort to ensure the government's annual report is a readable, user-friendly and concise document that meets the needs of our citizens and fulfills this government's commitment to transparency and accountability.

GOAL 1: A STRONG AND VIBRANT PROVINCIAL ECONOMY

Renewing our economy is the government's top priority; economic growth is the key to government's ability to fund crucial public services like health care and education adequately. Therefore, government's highest priority in 2001/02 was to lay a strong foundation for the elimination of the province's deficit by restoring sound fiscal management and revitalizing British Columbia's economy. A three-year fiscal plan was established to get British Columbia back on a strong financial footing, with a specific goal of balancing the budget by 2004/05.

THE STARTING POINT

Over the last decade British Columbia's economy consistently underperformed. Of all of the Canadian provinces, British Columbia had the lowest productivity growth, the lowest growth in private-sector investment, the lowest growth in per capita gross domestic product (GDP), and one of the least competitive tax regimes in the country. British Columbia's debt doubled from 1990 to 2001. As a result of these circumstances, since 1998 British Columbia has had a net loss of more than 50,000 people to Alberta and Ontario. Businesses also left. The standard of living fell significantly, and people's real disposable incomes fell. British Columbia had become a have-not province, and faced a structural deficit of $3.8 billion by 2003/04.

These circumstances have been exacerbated by a global economic slowdown and the events of September 11th. The effect of terrorism in New York has had a negative impact on the flow of goods and services across our border, as well as on the province's tourism industry. In addition, Canada's failure to reach an agreement on softwood lumber and the U.S. Department of Commerce's threatened imposition of a 27.2 per cent duty on British Columbia's softwood exports has had a devastating impact on our forestry industry, and a concomitant impact on British Columbia's forest families. The softwood situation has generated fear and frustration in communities across the province.

The regulatory regime that was in place stifled economic growth opportunities by placing too much regulatory burden on the business and investment sectors. As a result, the province has experienced a net loss of business and investment, which are the drivers of economic productivity and future prosperity. Each of these circumstances presents the government with significant challenges, but challenges that the government will overcome. Indeed, over the last year the government has made significant progress toward improving the provincial investment climate.

WHAT WE HAVE DONE

REDUCED PERSONAL INCOME TAXES: personal income tax rates were cut across the board by an average of 25 per cent. British Columbians now have the lowest base personal income tax rate in Canada for the bottom two tax brackets. British Columbian taxpayers also enjoy the second-lowest marginal tax rate in Canada.

REDUCED CORPORATE INCOME TAXES: corporate income tax has been reduced from 16.5 to 13.5 per cent in order to encourage the private-sector investment that makes us competitive with other provinces. The provincial sales tax on production machinery and equipment has already been eliminated to encourage productivity improvements. The seven per cent tax on bunker fuel was eliminated to encourage employment and service growth at our ports, and the jet fuel tax was reduced two cents a litre so the Vancouver International Airport can compete globally.

ELIMINATION OF CORPORATION CAPITAL TAX: the corporation capital tax on non-financial institutions, which is a tax on investment, will be eliminated by September 1 of this year to encourage private-sector investment in the economy.

INCOME TAX CREDITS: disability-related income tax credits have been increased, including tax credits for in-home care for elders, disabled dependents and for mental and physical impairment. These credits are indexed to inflation to allow people to undertake long-term planning.

SMALL BUSINESS INCOME TAXES: the threshold for the small business income tax rate has increased from $200,000 to $300,000 to save small businesses money they can reinvest in new jobs and growth.

MINISTRY OF COMPETITION, SCIENCE AND ENTERPRISE: government established a new ministry that focuses on forming and expanding partnerships with entrepreneurs, businesses and organizations throughout British Columbia in order to build a strong private-sector-driven economy, foster an innovation culture for science and technology and develop national and international investment and trade relationships.

ELIMINATED BUSINESS SUBSIDIES: all government subsidies that provided an unfair advantage to one business over another were eliminated.

DEREGULATION INITIATIVE: government is committed to reducing the regulatory burden by one-third. By the end of 2001/02, the regulatory reduction program was underway. Government counted 404,000 regulatory requirements, eliminated 5,000 and was on track to meet the target.

RESTORED OPEN TENDERING: government restored open tendering on government contracts to allow fair competition for businesses and provide better value to taxpayers.

REFOCUSING TAXPAYER RESOURCES: government shifted taxpayer resources to focus on health and education. Education was declared an essential service, and new flexibility has been given to the health and education sectors for purchase of services. The February 2002 budget dedicated significant new funding to the health sector, including $392 million for physicians. The total increase in health spending over two years was $1.6 billion.

BALANCED BUDGET IN 2004/05: the budget tabled in February 2002 detailed strategies for government to reduce the deficit from $4.4 billion in 2002/03 to $1.8 billion in 2003/04, and to balance the budget by 2004/05. Total spending in ministries other than health and education has been reduced by an average of 25 per cent, which is a total of $1.9 billion over three years.

RESTORING WORKERS' RIGHTS: government encouraged a new partnership between employers and employees by creating a more flexible employee-employer environment. Included were restoration of workers' rights to a secret ballot vote on certification, as occurs for decertification, a repeal of sectoral bargaining, restoration of access to pension rights and introduction of a first-job wage rate.

GOAL 2: A SUPPORTIVE SOCIAL INFRASTRUCTURE

Perhaps one of the most difficult challenges we face is to establish and implement a long-term vision in place of the historic practice of short-term expediency. Securing the long-term sustainability of our social infrastructure is an essential component to ensuring a healthy and thriving population. Among the top priorities of this government for 2001/02 were to enable equality of opportunity and equitable access to high standards of education, health, and family services and to achieve this through greater citizen choice. Education is a critical requirement to meet the demands of today's new economy, which will require the province to have a highly educated, skilled and flexible workforce. Having a strong education system entails ensuring high standards are met in every school, institute, college and university, and promoting excellence through education, so the talents of all can be developed to their fullest. It involves clear accountability, measures and assessment of performance. It involves creating options and providing choices. And it requires offering parents and students a voice. Over the last fiscal year, the government began to institute the strategies and structures necessary to develop top-notch education systems for all students in the province.

More government resources are directed to health care than to any other service. However, British Columbians' expectations for health services are rapidly outstripping the economy's and taxpayers' ability to fund those demands. The ongoing and significant growth in health-care costs is not sustainable; nonetheless, everyone in this province should have access to quality health care when they need it. Therefore, in 2001/02, the government began to put into place the governance and institutional reforms that are necessary to ensure that health-care dollars are directed to services for patients. We must shift our efforts from administration to patients, thereby ensuring quality health services to our population.

The most significant influences on individual well-being are conditions we experience in our day-to-day lives. Meaningful work, healthy and supportive work places and steady income all have an impact on our quality of life. Targeted social services – such as effective education, health and family services – are essential components to putting in place the infrastructure necessary to ensure that each of us may reach our full potential. And we must focus our resources on those who need it most.

THE STARTING POINT: EDUCATION

Poor economic, strategic and fiscal management over the last decade has had a significant impact on the province's social infrastructure. The consequences for the province's education system have been noteworthy. Four million student days were lost due to strikes and lockouts. In addition, the school district funding formula was overly complex, rigid and unfair. There were 60 different funding categories: the base allocation, plus 59 other criteria that determined how much funding each district received. These prescriptive criteria dictated how much school districts were required to spend on each provincially determined program area, with no regard to the unique circumstances and individual needs of their communities.

In our advanced education system, British Columbia remains approximately 20 per cent below the national average in degree achievement per capita. Cuts to the number of training positions in nursing and medical technology schools created a serious shortage of nurses and medical technologists. From 1993 to 2000, the number of nursing school graduates plummeted by 27 per cent.

There have been positive outcomes from our education system. British Columbia has a variety of post-secondary and training institutions, and the education sector is well positioned to respond to a variety of educational and training needs. British Columbians can be proud of how well students are prepared for the responsibilities they will face. Comparisons with other jurisdictions and comparisons over time indicate that students in British Columbia's schools do well. They pursue advanced education in the province's colleges, institutes and universities, and gain valuable knowledge and skills in specialized training programs. This province's citizens are among the best educated people in the world, and those responsible for their education are among the best prepared.

WHAT WE HAVE DONE: EDUCATION

PROTECTED EDUCATION FUNDING: funding to the ministries of Education ($4.86 billion) and Advanced Education ($1.9 billion) was preserved, despite difficult fiscal pressures.

RESTORED AUTONOMY OF SCHOOL BOARDS: three-year rolling funding envelopes and a transparent funding formula will enable school boards to do long-term planning.

EDUCATION AN ESSENTIAL SERVICE: education was restored as an essential service under the Labour Relations Code to ensure children's education is not disrupted by labour disputes.

SECURED CLASS SIZES IN LEGISLATION: strict class-size maximums are now in place for Kindergarten to Grade 3, and for Grades 4 through 12 government has ensured that class size averages are flexible. These changes allow decisions to be made at the local level, thereby reflecting students' needs and community priorities.

GUARANTEED PARENTS' RIGHT TO VOLUNTEER: new legislation guarantees parents' right to volunteer at their children's schools, provided it does not displace existing resources.

LEADING EDGE ENDOWMENT FUND: a $45-million Leading Edge Endowment Fund will establish 20 Leadership Chairs across the province in the fields of medical, social, environmental and technological research.

INCREASED POST-SECONDARY ACCESS: new legislation expands degree-granting authority for both private and public institutions to enhance access for students to a range of post-secondary opportunities.

AUTONOMY OVER TUITION FEES: government restored to post-secondary institutions responsibility for determining tuition fee levels in order to ameliorate financial pressures, allow institutions to improve the quality of education they provide, and meet students' needs.

INCREASED MEDICAL SCHOOL GRADUATES: $134 million has been allocated to the British Columbia Life Sciences Centre, which will establish satellite medical schools in Victoria and Prince George, providing a community-based focus that will address rural, geriatric and aboriginal issues and will increase the number of graduates from the current 128 to 224 in 2005.

NURSES TRAINING: the number of nursing and residential care aid training spaces will increase by 1,400 over the next three years.

THE STARTING POINT: HEALTH

When the government was sworn into office on June 5, 2001, there was no comprehensive health plan for British Columbia. As a result, health-care resources have not been used to their maximum advantage. Since 1985, the costs for health care have more than tripled, while federal contributions have declined. In 1992/93, health care took 34 per cent of the provincial budget; today it takes 40 per cent of that budget. Of that new spending, $1.6 billion has happened in the last two years, between 1999 and 2000. And still the system suffered from hospital bed shortages and longer waiting lists. While British Columbia's population grew, the number of medical student graduates remained static. British Columbia has the lowest number of medical students in relation to population of any province that has a medical school.

The health authorities system that was in place was unwieldy and suffered under burgeoning administrative duplication and overlap. Fifty-two health authorities, each with its own bureaucracy, redirected dollars away from patient care. In addition, the health authorities often received their funding envelopes months late, which made management extremely difficult and long-term planning impossible. These factors were compounded by targeted funding practices that were inflexible and unfair.

While there are clearly serious inadequacies in our health-care system, there are some notable areas of progress. The total number of physicians has been increasing in relation to population. In addition, health-care professionals have made progress in identifying systemic problem areas to assist government in directing its energy and resources. British Columbia is the first province in Canada to provide the public with direct access to information on wait times by procedure, hospital and physician. Further, on traditional health measures like infant mortality and life expectancy, British Columbia is among the best in the world.

Health is all about people, and health care is about health services being available for patients in need. We have reached a pivotal point in health care where the status quo is simply not an option. The system is increasingly failing patients because it has not been focused on patients. Our vision of British Columbia's health-care system is the provision of high-quality public health care services that meet patients' needs. We believe we can achieve our vision by working with this province's health-care professionals to address the challenges we face and develop innovative solutions for building a better health-care system for the future.

WHAT WE HAVE DONE: HEALTH

MINISTRY OF HEALTH PLANNING: government created a new ministry whose mandate is to focus on long-term strategic planning and improved performance of the health system.

REFOCUSING RESOURCES ON PATIENTS: the 52 regional health authorities have been restructured to six, in order to create centres of excellence, realize economies of scale, reduce administrative costs, and get maximum value for patients out of every health-care dollar.

IMPROVED HEALTH SERVICE DELIVERY: government removed restrictive barriers on workplace assignments that inhibit alignment of staff resources to areas of patient need, and provided health authorities the ability to manage administration and support service costs more effectively by allowing alternative service delivery.

MEETING RURAL HEALTH NEEDS: a variety of initiatives have begun that will address the special challenges of providing health services in rural and isolated locations, including a Rural and Remote Training Program, forgivable student loans for nursing and medical students who practice in under-serviced areas, and travel assistance for patients and health-care providers.

STRATEGIES TO ADDRESS NURSING SHORTAGES: a $21-million, comprehensive initiative has been introduced to attract and retain nurses, including expanded training and recruitment initiatives, as well as the establishment of forgivable student loans.

PARAMEDIC TRAINING: 1,300 new recruits and part-time personnel of the BC Ambulance Service will receive training to a nationally accredited standard.

DEDICATED FUNDING FOR MENTAL HEALTH: $263 million additional funding has been allocated to revitalize mental health services and deliver better care to people with mental illness, including $138 million in capital funding that will provide new mental health beds needed to deliver community-based services.

FUNDING DOCTORS PAY INCREASES: to fund a $392-million pay increase for physicians and other health-care professionals, the provincial sales tax was increased 0.5 per cent, tobacco tax was increased by $8 a carton, and Medical Services Plan premiums were increased on May 1.

PHARMACARE: when government made changes in January 2002 to reduce the 15 per cent annual increase in Pharmacare costs, it took care to protect the 40 per cent of seniors who qualify for low-income premium assistance.

THE STARTING POINT: SOCIAL SERVICES

Government involvement in the provision of family care services increased exponentially over the last number of years. There has been significant growth in the number of children in the care of the government rising by 32.8 per cent from 7,713 in 1996/97 to 10,247 in 2000/01. As a result, the government has in excess of 5,600 contracts with agencies and individuals providing family care. Our delivery system is costly, and our programs are not achieving their desired outcomes.

Government must refocus its efforts to promote and develop the capacity of families and communities to care for and protect vulnerable children and youth, and to support adults with developmental disabilities. In addition, we must channel more energy to our children's very early years, which is when the most lasting impact on their future development occurs.

In December 2001, there were about 243,000 British Columbians receiving income assistance, representing six per cent of the population. The majority of clients leave the income assistance caseload within six months. However, two-thirds return to income assistance within two years and continue to cycle on and off. More than 70 per cent of income assistance clients older than 35 have an income assistance history longer than 10 years.

Employment is a primary determinant of health and, in fact, is a critical preventative health measure. In a typical year in British Columbia, about 500,000 job openings are created. No matter what people's individual capabilities are, they need a chance to achieve their highest potential and programs designed to assist them in reattaching to the workforce. The appropriate infrastructure must be in place to facilitate such an outcome.

WHAT WE HAVE DONE: SOCIAL SERVICES

RESTORED CHOICE FOR COMMUNITY SOCIAL SERVICES: improved client choice and service in the community social services sector by removing onerous successorship provisions to restore competitive bidding and reduce costs.

RESTRUCTURED INCOME ASSISTANCE: significant changes to income assistance and employment support programs have been adopted with two new employment and assistance Acts that enable British Columbians who receive income assistance to link to sustainable opportunities and employment training services.

REVITALIZED CHILD PROTECTION LEGISLATION: new legislation was introduced to allow government to better serve children and youth at risk by reducing unnecessary administrative burden, maximizing family and community resources, and improving protection and care for those who need it. In addition, intensive planning began for a shift to community governance.

INCREASED FUNDING FOR AUTISTIC CHILDREN: in response to families' requests for greater flexibility and choice, government provided $16.7 million for autism spectrum disorder (ASD), of which up to $8 million is dedicated to an individualized funding option available for families to purchase treatment services for their children under age six with ASD.

THE STARTING POINT: JUSTICE

British Columbia's poor economic performance has had an impact on our crime rates. The province has one of the highest violent crime rates in Canada; the violent crime rate was about 22 per cent higher than the national average in 2001. British Columbia is a leader in developing strategies to protect the public from violent and other high-risk offenders, as well as using the dangerous offender provisions of the Criminal Code of Canada to keep high-risk offenders behind bars. However, the characteristics of youth crime have shifted significantly in the last number of years and must be addressed.

Over the last several decades, changes in both family structure and family dynamics have resulted in a requirement to transform the way justice services are delivered in the areas of divorce, child custody, access, support and protection. In response to these circumstances, a moderate range of mediation and other alternative programs were put in place. There remains significant scope for further improvements, including increased use of alternative dispute resolution processes.

WHAT WE HAVE DONE: JUSTICE

ELIMINATED PHOTO RADAR: the photo radar program was eliminated to enable effective deterrence of speeding through direct and visible policing.

RESTRUCTURED LEGAL SERVICES SOCIETY: legal aid services were restructured to ensure the long-term sustainability of the legal aid program, allowing for a more efficient use of resources while maintaining the third-highest per capita legal aid funding in Canada.

PARENTAL RESPONSIBILITY FOR CHILDREN WHO COMMIT CRIMES: as a public safety measure, government enacted a new law under which property owners who suffer property loss or damage through the intentional act of a child can seek financial compensation from the child's parents.

LIQUOR REFORMS: government is refocusing its liquor industry inspections on service to minors, facilities that continue to provide alcohol to people who are already intoxicated, and the purchase and sale of illicit alcohol. In addition, government has streamlined liquor licensing categories for liquor serving establishments, strengthened the role of local government in controlling public access to liquor in licensed establishments, enabling the sale of spirits in cold beer and wine stores, and increased liquor retail choice in small communities.

CHILD AND SPOUSAL SUPPORT LEGISLATION: legislation was enacted that improves the process to obtain court orders that require people to provide money to support a child or former spouse by enabling interjurisdictional support orders to simplify the process for applicants living in British Columbia.

ADMINISTRATIVE JUSTICE PROJECT: after a comprehensive review of the province's administrative justice agencies, 33 of the province's 67 administrative justice agencies are being restructured, combined or improved to enhance accountability, public access and fairness in decision-making.

GOAL 3: SAFE, HEALTHY COMMUNITIES AND A SUSTAINABLE ENVIRONMENT

British Columbians want to live in healthy, sustainable, autonomous communities where they are protected from harm, where differences between people are respected, and where everyone is treated with fairness and dignity. This government has committed to providing local governments with increased autonomy, where municipal councils have an increased role in community issues and the province will address the public interest of British Columbia as a whole. Central to the public interest is a social fabric that will improve British Columbians' quality of life, including enhancing public safety; promoting diversity; active participation in arts, culture and sports; and protecting and enhancing our natural environment while pursuing sustainable development.

A healthy and sustainable environment is essential to our future. We need to protect our environment and its biodiversity for current and future generations, and manage the development of our natural resources in an ecologically sustainable way. British Columbia's natural resources and biodiversity have been identified around the world as a precious global resource, leading to serious pressure on British Columbia's natural resource industry to achieve the highest possible environmental standards. Historically a resource-based economy, British Columbia's forest, fishing and mining industries have faced difficult times, with fundamental restructuring of their international markets. These factors have had a devastating impact on families traditionally reliant on our natural resource industries.

Exploring alternative sources of energy and encouraging environmentally friendly recreational and industrial practices are essential to maintain the richness and diversity of our environment. The government places a high priority on encouraging a strong private-sector economy that maintains high environmental standards and displays exemplary environmental stewardship. This responsibility for environmental stewardship is shared across all sectors of the economy and all government ministries.

THE STARTING POINT: COMMUNITIES

Over the last few decades, the industrialized economy has transformed from one based primarily on manufacturing and exchange of goods to one dominated by the provision of services and exchange of information. These factors, in conjunction with the generally depressed commodity prices in the 1990s, meant that British Columbia's forestry, mining and fishing sectors have been in an economic downturn for several years, severely affecting single-industry, resource-dependent communities. Changes in the resource sectors have had the greatest impact in rural and remote communities, where these industries have traditionally employed more than 50 per cent of the labour force and contributed as much as 80 per cent of local tax revenues. Industry closures and downsizing have caused significant economic instability in these communities and regions, and untold hardship to those affected.

British Columbians have a reputation as an active people; however, the statistics do not bear this out. In 1999/2000 approximately 840,000 people were registered in 62 different provincial sport organizations. Of this number, two-thirds of participants were under the age of 18. Despite this level of membership, the prevalence of overweight youth increased by 92 per cent in boys and 57 per cent in girls from 1981 to 1996, and teenage obesity has doubled during the same time. Therefore, while British Columbia enjoys high rates of participation in sport, more than 50 per cent of the population is not active enough to derive health benefits.

Government has been working with communities to help them build upon their inherent strengths and develop community-led solutions for many of these issues. Fortunately, British Columbia has a history of rich and diverse cultural traditions. In this province, cultural activity provides a bridge between the diversity of groups who call British Columbia home. Our province's cultural endeavours – the collections in our museums and galleries, the books we read, our visual and performing arts – all give communities a focus for their creativity and expression of common aims and values.

WHAT WE HAVE DONE: COMMUNITIES

COMMUNITY CHARTER COUNCIL ACT: in the 2001 summer legislative session, the first step in delivering a Community Charter was made when the *Community Charter Council Act* was given Royal Assent, and a Community Charter Council was formed. The council has been consulting with municipalities on a variety of issues, including mechanisms to prohibit provincial government offloading of costs onto local taxpayers, giving local governments greater autonomy and better planning tools to reduce pressure on property taxes.

FUNDING FOR NON-PROFIT HOUSING: funding was committed in 2000/01 to help build approximately 700 new units of non-profit housing across British Columbia.

FUNDING FOR WOMEN'S SERVICES: government announced one-time funding of almost $1 million for transition houses and counselling services for women and their children who have experienced violence or abuse.

FUNDING FOR PHYSICAL FITNESS AND AMATEUR SPORTS FUND: government committed to increase the Physical Fitness and Amateur Sports Fund from $22 million to $44 million over four years.

FUNDING FOR FIRST CITIZENS' FUND: government committed to increase the First Citizens' Fund from $36 million to $72 million over four years.

FUNDING FOR LOCAL GOVERNMENTS: unconditional grants totalling $36 million have been provided to local governments to ensure that communities have the resources needed to provide services their residents count on.

THE STARTING POINT: ENVIRONMENT

British Columbia's natural resources are one of the province's features that make it an attractive place to live, do business and visit. They provide significant economic, social, cultural and environmental benefits for all British Columbians, especially to the rural parts of the province. Much of British Columbia's economy is based both on the direct use of natural resources (for example, mining and forestry) and on activities (such as tourism) that depend on natural diversity and environmental quality. The province has a growing urban population with strong environmental values, yet both urban and rural residents rely on extensive access to land and natural resources for economic and recreational uses.

The division of roles and responsibilities for environmental management that was in place has hampered proper planning processes. Outdated, prohibitive environmental regulatory processes have created higher costs for both government and business. In addition, inflexible statutory decision-making processes resulted in conflicts and litigation. Competition for ministry resources between new priorities and traditional activities, along with increased regulation, resulted in service backlogs, poor environmental monitoring and reporting systems, and limited capacity to gather scientific research.

British Columbians recognize that the province's environmental stewardship role is shared with all the province's citizens; to this end, we must better define processes for balancing the economic and social needs of British Columbians with the need to maintain the integrity of our environment in perpetuity.

WHAT WE HAVE DONE: ENVIRONMENT

MINISTRY OF SUSTAINABLE RESOURCE MANAGEMENT: government established a new ministry whose mandate is to provide sustainable economic and environmental development of the province's land, water and resources.

DRINKING WATER: an independent review panel was established in September 2001 to review the *Drinking Water Protection Act.* The review panel completed an interim report in December and a final report on February 13, 2002. Their findings were submitted to the government for consideration.

LIQUID WASTE MANAGEMENT: the government strengthened the Greater Vancouver Regional District's liquid waste management plan with requirements to enhance scientific evaluation and to protect the ecological health of Greater Vancouver waterways. In December, $37 million was provided for 15 water and sewer infrastructure protects, with a focus on safe drinking water.

SCIENCE-BASED STANDARDS: environmental protection measures are being refocused to reduce micromanagement and concentrate on science-based standards and enforcement. Examples include the Grizzly Bear Scientific Panel, the Scientific Advisory Panel and standards on pulp mill discharges.

CROWN LAND APPLICATIONS: the backlog and delays in processing Crown land applications have been reduced, and a new, integrated agency – Land and Water BC – has been established to co-ordinate all Crown land applications and provide integrated services.

PROGRESS ON OFFSHORE OIL AND GAS: offshore oil and gas development could be a multi-billion-dollar industry investment and create 20,000 jobs. A scientific panel was appointed to determine whether offshore oil and gas could be extracted in a manner that is scientifically sound and environmentally responsible. The panel concluded there is no inherent or fundamental inadequacy of the science or technology, properly applied in an appropriate regulatory framework, that would preclude offshore oil and gas exploration and development.

WHAT WE HAVE DONE: ENVIRONMENT

MODERNIZING MINING, ENERGY AND NATURAL GAS INDUSTRIES: government launched a variety of initiatives to modernize the mining, energy and natural gas sectors, including established an Energy Policy Task Force to make recommendations toward a comprehensive, long-term energy policy for British Columbia; introduced a new 20 per cent investor tax credit for new mineral exploration in British Columbia; and introduced a new royalty regime for coalbed methane to encourage development of this new resource.

MODERN MINISTRY OF FORESTS: government established a new policy direction for the Ministry of Forests. New initiatives include market-based stumpage pricing reform and defined area management projects; initiation of a results-based Forest Practices Code; and transferring land-use planning responsibilities to the Ministry of Sustainable Resource Management to provide for more comprehensive land-use planning.

SOFTWOOD LUMBER: since July 2001 the government has actively participated with Canada and the United States in discussions to assess whether there is an alternative to litigation to resolve the softwood lumber trade dispute. As part of these discussions, a series of forest policy changes have been developed to create clearly competitive markets for standing timber, logs and tenure; and to expand the role of market forces in the forest sector.

SALMON AQUACULTURE STANDARDS: environmentally safe aquaculture is an important growth area for British Columbia. New, comprehensive environmental standards and practices have been developed for the managed expansion of the salmon aquaculture industry in British Columbia.

CONCLUSION

This annual report takes stock of the 2001/02 fiscal year; however, the government is already looking to the key decisions that have to be taken over the next several years. We will continue our progress toward the revitalization of British Columbia's economy, restoring sound fiscal management in government and renewing the health-care system to put patients first. The government's primary focus is reinvigorating the economy as quickly as possible. To achieve this outcome, we have instituted 17 new tax relief measures, providing a total of $1.1 billion in net tax relief for individuals, and $390 million in net tax relief for businesses to encourage job creation. We have embarked upon a comprehensive deregulation initiative to cut the regulatory burden placed upon businesses and individuals by one-third to stimulate the economy. Other measures government has put in place to stimulate the economy include public consultation on a new results-based Forest Practices Code, and reforms to streamline requirements and approval processes for the oil and gas sector.

We have worked hard to build a sustainable health system that makes the most out of every health dollar. We are moving from a system that is failing patients to one that is well planned and well managed. Provincial health standards have been established to ensure all citizens, in every part of the province, have access to the same level of reliable, high-quality health services. We are also moving from a system with little accountability for patient outcomes to one that is accountable to the public for results. To ensure this accountability, we have developed clear performance measures for our health authorities. We have increased funding to the health system by $1.1 billion. Each of the six new health authorities has received a funding increase averaging 7.4 per cent.

We have also recognized that a leading-edge, top-quality education system and highly educated citizens are key to job creation and sustaining a strong economy. Parental involvement is a big determinant of how well a child performs in school. This government wants to ensure that parents will have a more meaningful role in reshaping our education system and making it accountable for increasing student performance. To meet these ends, we have refocused the education system towards increased flexibility, choice and parental involvement in the education of their children. We want our education system to focus on the needs of students, and we have made improving student achievement a high priority. Initiatives we have implemented to achieve our goals include a new accountability system that requires each school, district and the ministry to review performance measures and develop goals and strategies for improvement. School Planning Councils will be established in every public school this year to develop an annual plan for their school that includes goals and outcomes for improvement. We are also increasing access to post-secondary education by expanding degree-granting authority for both public and private institutions.

Government is committed to focusing resources on those who are most in need. We have recently implemented a new employment strategy for people with disabilities, designed to provide individual assistance for those who are able to work. Government has also established a $30-million economic measures fund to support economic development projects and build capacity in aboriginal communities and has increased funding for the First Citizens' Fund. The fund will double over the next four years. We have also entered into a partnership with non-profit societies and municipalities to fund almost 700 new units of non-profit housing across British Columbia.

The greatest challenge is ongoing – to identify strategic priorities and opportunities, to modify the government to adapt to our rapidly changing social and economic environment, and to continue to enhance the province's health and education sectors, our tax competitiveness and investment climate. The series of measures outlined in this report represent the beginning of the government fulfilling its commitment to provide relevant services that are appropriate to people's needs.

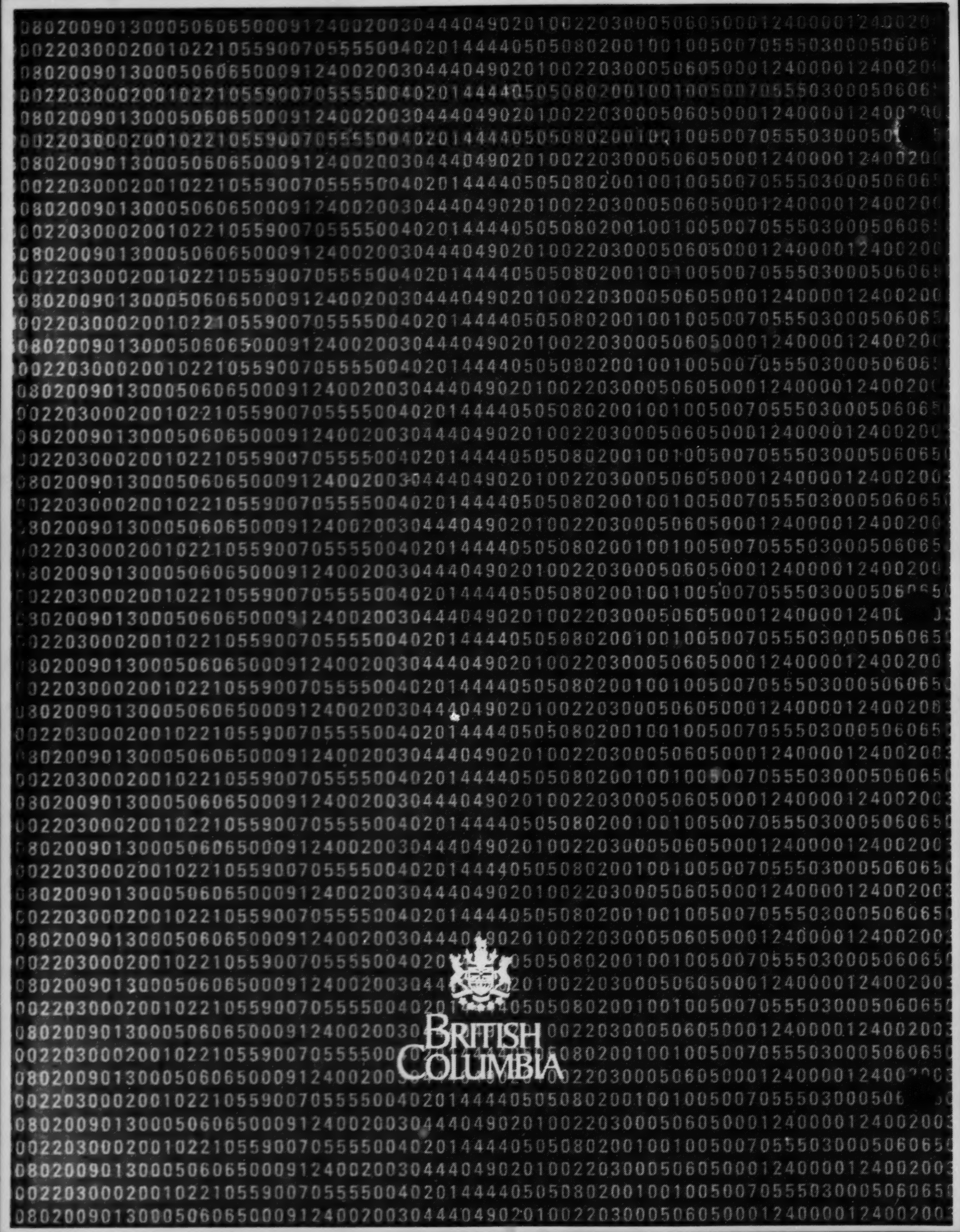
You are invited to respond to this report by giving your own comments on what the government has done well, where we need to improve, and your priorities for the years ahead. In the coming year, if we are to achieve the goals and objectives we have set in the Government's Three-Year Strategic Plan, there will need to be more strategic decisions and more hard work.

We have made a good start. But it is only a start. There is a lot more to be done.

We welcome your views, comments and ideas on the contents of this Annual Report.

Please send your comments to:
Office of the Premier
PO Box 9041
Station Provincial Government
Victoria, British Columbia V8W 9E1

You may also e-mail your comments to: premier@gov.bc.ca



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Office of
the Premier

2001/02
Annual Report
A New Era Update

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COLUMBIA

**Office of
the Premier**

National Library of Canada Cataloguing in Publication Data
British Columbia. Premier.
Annual Report. — 2001/2002 -

Annual.
ISSN 1703-3551 = Annual Report - British Columbia.
Premier

1. British Columbia. Premier - Periodicals.
2. British Columbia - Politics and government - 2001 -
Periodicals. 3. Administrative agencies - British Columbia -
Periodicals. II. 2001/02 Annual Report.
A New Era Update: Office of the Premier. Annual Report.

JL439.B7B74 351.771'05 C2002-960127-4

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Published by the Office of the Premier

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the Core Services Review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

For the first time in British Columbia's history, Cabinet Ministers and the Premier must meet performance targets in order to receive 100 per cent of their cabinet stipend. Ten per cent of their cabinet salary is withheld pending the fulfilment of annual performance and budget targets in their ministry. A further 10 per cent of their cabinet salary is withheld pending the entire cabinet's fulfilment of government-wide performance and budget targets.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. For the first time, the Office of the Premier is subject to the same disciplines. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, the Office of the Premier has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the Office of the Premier's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the office and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Office of the Premier Annual Report was prepared under my direction, and I am accountable for the results this office has achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Gordon Campbell.

Honourable Gordon Campbell
Premier

June 10, 2002

Minister of State Accountability Statement

I am the Minister of State for Intergovernmental Relations and, as such, am accountable for the basis on which the Intergovernmental Relations portion of the annual report was prepared and for the results achieved since June 5, 2001.

Greg Halsey-Brandt

Honourable Greg Halsey-Brandt
Minister of State for Intergovernmental Relations

June 10, 2002

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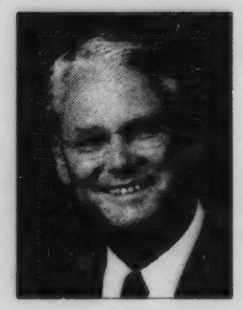
Office of the Premier



I am pleased to present the 2001/02 Annual Report — *A New Era Update* for the Office of the Premier. This is the first Office of the Premier Annual Report; it lays out the significant progress my office has made toward the achievement of our *New Era* objectives. Across the Office of the Premier portfolio, we have begun to establish leading-edge improvements and have directed our resources in the most appropriate way to address strategic issues as they emerged. Internally, we have created a new reporting structure, bringing the Intergovernmental Relations Secretariat, the Public Affairs Bureau, the Chief Information Office, the Crown Agencies Secretariat and the Board Resourcing and Development Office under the umbrella of the Office of the Premier. The organization and the related budget reflect the actual operation more realistically. This structure has also enabled me to work more actively with Cabinet and the public service to deliver solutions that meet the key priorities of government. Much of government's work this year has been focused on laying the foundations to deal with the debt and sorting out the public finances to re-establish confidence and strength in British Columbia's economy. The greatest ongoing challenge is to identify strategic priorities and opportunities and continue to modify government priorities to adapt to the social and economic environment. It is a challenge both my office and this government are prepared to meet.

Honourable Gordon Campbell
Premier

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Role and Services of the Office of the Premier

Introduction

The Premier serves as the President of the Executive Council (Cabinet) and head of the Government of British Columbia. As head of the government and Cabinet, the Premier provides leadership to, and cohesion among, ministers, ministries and all agencies of government. The Office of the Premier provides advice and support to the Premier, Cabinet and Caucus to set priorities and to facilitate smooth and effective operations of the Government of British Columbia. The office works closely with all ministries and major agencies to support their work and to ensure policy co-ordination across government. In addition, the Office of the Premier provides leadership to the public service.

The Premier, with the support of the office, is responsible for ensuring the *New Era* vision is implemented in a timely, open and accountable fashion. The *New Era* vision has led to the establishment of an overarching vision for the Government of British Columbia. The Office of the Premier, together with all government ministries and Crown agencies, is accountable for the achievement of the government's vision.

The *New Era* Vision

The *New Era* document contains many far-reaching policy objectives. Ten specific objectives were highlighted for the future:

1. A top-notch education system for students of all ages.
2. High-quality public health-care services that meet all patients' needs where they live and when they need it.
3. A thriving private sector economy that creates high-paying job opportunities.
4. Safer streets and schools in every community.
5. Better services for children, families and First Nations.
6. The fastest growing technology industry in Canada.
7. A leading-edge forest industry that is globally recognized for its productivity and environmental stewardship.
8. Greater equity and equality for British Columbia in Canada.
9. The most open, accountable and democratic government in Canada.
10. Responsible, accountable management of your public resources and tax dollars.

These policy objectives have led to the development of an overarching vision for the Government of British Columbia.

Government of British Columbia Vision

The Premier and the Office of the Premier have a broad responsibility for the achievement of the government's vision, outlined in the British Columbia Government Three-Year Strategic Plan 2002/03 – 2004/05: *Restoring Hope and Prosperity*:

> *British Columbia is a prosperous and just province, whose citizens achieve their potential and have confidence in the future.*

Office of the Premier Mission and Values

Mission

The Office of the Premier has specific accountability for the restructuring of government, the strategic use of technology, effective and transparent communications, the relationship with Crown corporations, and the development of positive intergovernmental relations. The mission of the Office of the Premier is:

> *To ensure the achievement of the New Era and government's vision through leadership across government and Crown agencies in innovative planning, timely decision-making and effective service delivery; supported by leading-edge technology, open and transparent communications, and positive intergovernmental relations.*

Values

The Office of the Premier's leadership of government is founded upon the following core values:

- Integrity: to make decisions in a manner that is consistent, professional, fair and balanced
- Fiscal Responsibility: to implement affordable public policies
- Accountability: to enhance the efficiency, effectiveness and credibility of government
- Respect: to treat all citizens equitably, compassionately and respectfully
- Choice: to afford citizens the opportunity to exercise self-determination

Principles — The Way We Work

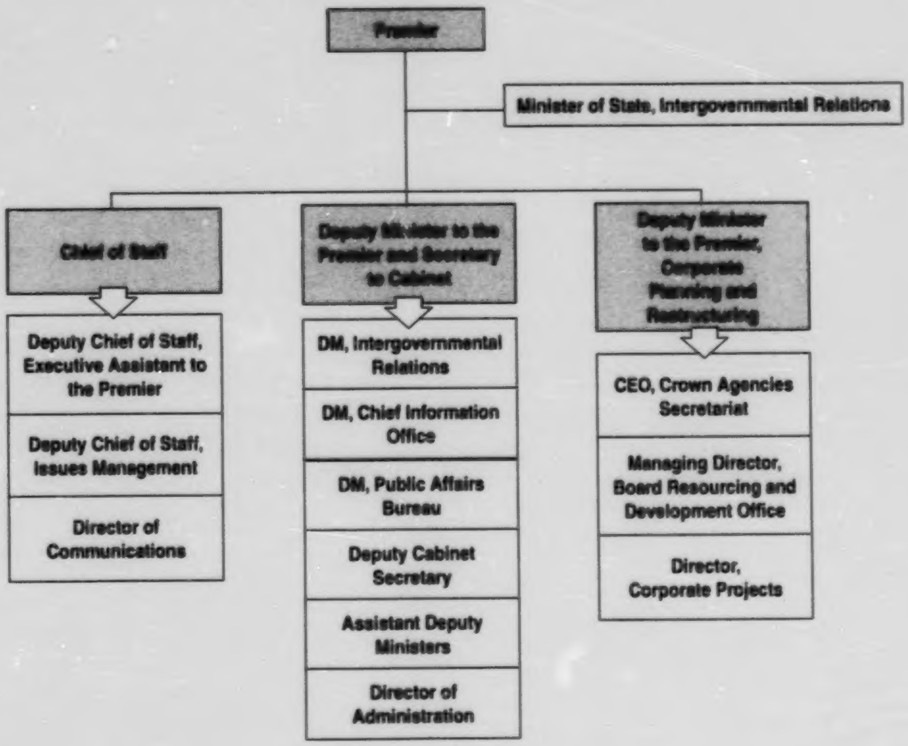
In fulfilling our corporate leadership role, the Office of the Premier acts in accordance with the following principles:

- Results oriented and client focused
- Innovative and accountable public management
- Focus on *New Era* priorities
- Collaborative partnerships within the public sector and the broader provincial community
- Simplification of government regulations and processes
- Focus on support and facilitation rather than direct control over the lives of people, businesses and organizations

Office of the Premier Structure

The Office of the Premier underwent a significant restructuring in the 2001/02 fiscal year, bringing a number of new entities under its umbrella. This reorganization has facilitated a new direction and focus for the activities of the office toward the achievement of our *New Era* goals.

Office of the Premier


Premier
Minister of State, Intergovernmental Relations
Chief of Staff
Deputy Chief of Staff, Executive Assistant to the Premier
Deputy Chief of Staff, Issues Management
Director of Communications
Deputy Minister to the Premier and Secretary to Cabinet
DM, Intergovernmental Relations
DM, Chief Information Office
DM, Public Affairs Bureau
Deputy Cabinet Secretary
Assistant Deputy Ministers
Director of Administration
Deputy Minister to the Premier, Corporate Planning and Restructuring
CEO, Crown Agencies Secretariat
Managing Director, Board Resourcing and Development Office
Director, Corporate Projects

Chief of Staff:
This office provides a range of executive services for the Premier and manages key political relationships on behalf of the Premier both within and outside government. It provides strategic political advice, communications, media relations and issues management support directly to the Premier. This office manages the administrative functions that support the Premier, which include the Premier's scheduling and correspondence branches. The office also provides liaison and outreach internally with Caucus and externally with communities and organizations throughout the province.

Deputy Ministers to the Premier:
On behalf of the Premier, the Deputy Ministers provide leadership and co-ordination across all ministries and Crown agencies. They directly lead initiatives that affect all of government, including the Core Services Review of all government and Crown agencies; leadership of the public service; and cross-ministry initiatives. The Deputy Ministers support and co-ordinate the development of policies, legislation and public service reform so that the priorities of government as set by the Premier and Cabinet can be achieved. The Deputy Ministers also lead the restructuring and future planning of government.

Units Reporting to the Deputy Minister to the Premier and Cabinet Secretary

1. Intergovernmental Relations Secretariat

In recognition of the key role of the Premier in intergovernmental relations, this function has been placed in the Office of the Premier. The Minister of State for Intergovernmental Relations works with all ministries and agencies in government to ensure that relations with the federal and other provincial governments advance British Columbia's interests. The Intergovernmental Relations Secretariat also leads the development and delivery of strategies with international governments to advance British Columbia's priorities. The secretariat provides management and support services for government in intergovernmental protocol and the management of intergovernmental meetings and events.

2. Chief Information Office

The Chief Information Office has overall responsibility for the strategic direction and governance of information management and information technology. The office also has responsibility for enabling B.C. businesses to operate in the global economy and for developing strategies to bridge the digital divide. This office promotes e-commerce and enables the electronic delivery of government services. It is responsible for information management and technology governance, legislation, policy, standards, planning and investment.

3. Public Affairs Bureau

The Public Affairs Bureau was established in June 2001, after the Government Policy and Communications Office was disbanded. The bureau ensures that information about government programs and services is accessible to British Columbians and also has the responsibility for leading and co-ordinating communications with internal and external stakeholders. Services provided by the Public Affairs Bureau include communications research and planning, issues management, media relations, media monitoring, support to government events and announcements, speech writing, government Web site management, distribution of news releases, advertising, publications, and technical support to the Press Theatre in the Legislature.

4. Cabinet Operations

The role of Cabinet Operations is to facilitate the effective operation of Cabinet and Cabinet's committee system. The office organizes and co-ordinates the planning and policy meetings that take place within the decision-making process of the government. It provides complete administrative and record-keeping support to Cabinet, the Government Caucus Committees, the Cabinet Committee on the Economy and the Environment, the Agenda and Priorities Committee and the Legislative Review Committee. In addition, Cabinet Operations participates in the co-ordination of the Treasury Board fiscal and service planning process with ministries and Government Caucus Committees.

Units Reporting to the Deputy Minister to the Premier, Corporate Planning and Restructuring

1. Crown Agencies Secretariat

Prior to June 2001, the Crown Agencies Secretariat reported to the Minister of Finance and Corporate Relations. Over the last fiscal year the role and mandate of the Crown Agencies Secretariat has been restructured. Today, the Crown Agencies Secretariat is responsible for the strategic, systemic and proactive oversight of Crown corporations, agencies, boards and commissions in British Columbia. Strategic, systemic and proactive oversight involves the clear communication of the mandate and expectations of Crown agencies, and the active co-ordination, advice and support necessary to promote good governance, continuous improvement and accountability for results.

2. Board Resourcing and Development Office

Prior to June 2001 the Office of Co-ordination of Agencies, Boards and Commissions reported to the Minister of Finance and Corporate Relations. Over the last fiscal year the role and mandate of this office was restructured, including a new title that reflects the revised mandate. The Board Resourcing and Development Office has responsibility for establishing guidelines for all provincial appointments to Crown agencies, ensuring that all provincial appointments are made on the basis of merit following an open, transparent and consistent appointment process, and that all appointees receive appropriate orientation and ongoing professional development with respect to agency governance issues.

Update on *New Era* Commitments

During the 2001/02 fiscal year, the Office of the Premier made a great deal of progress on implementing its *New Era* commitments. Significant achievements include having:

- Established the Premier's Technology Council to help bridge the digital divide by providing advice to the Premier on key technology issues. The council is examining ways to remove barriers that keep many British Columbians from participating in the knowledge-based economy and from accessing the educational, social and cultural benefits delivered through broadband networks.
- Established the British Columbia Progress Board as part of the *New Era* commitment to help fuel economic growth by setting performance benchmarks for the provincial economy. The Progress Board is a fully independent board comprising business experts, and has been charged with identifying issues important to the future economic prosperity of British Columbia and with advising the Premier on strategies, policies and actions necessary to improve the performance of the provincial economy and its social policy supports. In addition, the board advises the government on its goal to improve the province's competitive position by establishing an ongoing means to measure and benchmark British Columbia's economic progress over time.
- Fulfilled the commitment to hold open Cabinet meetings at least once a month. All open Cabinet meetings have been open to the press and to the public. The meetings are Webcast and broadcast live on local cable stations. Transcripts, as well as the materials available for each meeting, are posted on the government Web page within 24 hours of the meetings.
- Provided all government Members of the Legislative Assembly (MLAs) a meaningful new role in policy development and service planning through a new system of Cabinet decision-making. This commitment was implemented within the first seven days of the new government, when five Government Caucus Committees were struck and tasked with reviewing policy, programs and legislation, and making recommendations to Cabinet. The five committees — Health, Government Operations, Communities and Safety, Natural Resources and Economy — give policy advice to Cabinet and provide input into the annual budget and three-year service plans of each ministry. Each of the committee chairs sits on the Legislative Review Committee. In addition, there are MLAs who sit on the Cabinet Committees of Agenda and Priorities, which review all policy initiatives; Treasury Board, which deals with the revenue and expenditure controls of government; and the Core Review and Deregulation Task Force, which is involved in the fundamental restructuring of the core businesses of government.
- Decided all major capital and land-use issues involving the Agricultural Land Reserve, new parks, land claims and tenure reform in public, at open Cabinet meetings.
- Discussed equalization at the August 2001 Annual Premiers' Conference as part of the commitment to work with other provinces to negotiate a more equitable federal equalization program. Premiers invited the Prime Minister to follow up on his commitment to improve the current program. In January 2002, Premiers reached consensus on the need to work together with the federal government on a more equitable federal equalization program.
- Held the first Provincial Congress on February 26, 2002, which meets the *New Era* commitment of bringing all members of the B.C. Legislature and B.C. members of Parliament together and holding annual joint conferences aimed at publicly identifying and overcoming issues of regional alienation within Canada and British Columbia.
- Completed and published service plans for all major Crown corporations that included measurable performance standards.

- Began the Core Services Review of the operations of BC Rail and the role of ICBC in funding and delivery of motor vehicle services.
- Established the Board Resourcing and Development Office, whose mandate is to recruit incumbents for Crown agencies, boards and commissions based upon merit. The office has developed written appointment guidelines for all Crown agencies, which are published on the government's Web site. Biographies of new appointees are listed on the Web site, confirming that board members have relevant skills and expertise, thereby fulfilling the commitment to ensure government appointments are based upon merit, not patronage.
- Developed and published the first three-year Government Strategic Plan, which contains measureable performance standards.
- Established the Chief Information Office in the Office of the Premier as part of the commitments to make British Columbia a leader in electronic government, to give citizens and businesses better access to online government services, and to bridge the digital divide between those who have access to new technologies and those who do not.

Performance Reporting

The Office of the Premier is dedicated to ensuring the services it provides to British Columbians are articulated clearly and accurately, and are consistent with government's priorities. A critical component of this accountability is the requirement to publish regular information reports on the office's activities and its progress toward meeting its goals and objectives. This reporting structure is unique: this year marks the first time in British Columbia that the Office of the Premier publicly establishes its goals and objectives, and holds itself accountable annually through a legislated reporting process. As this is a completely new reporting process, no goals, objectives, performance measures and targets had been developed for the Office of the Premier in the 2000/01 fiscal year to reference and report on progress. However, performance measures and targets have been established in the Office of the Premier 2002/03 – 2004/05 Service Plan tabled on February 19, 2002, and these will be reported on in the next annual report of the Office of the Premier.

The 2001/02 fiscal year was a year of significant change for the Office of the Premier. The office led government's adoption and implementation of a new public policy direction, and a new organizational structure was implemented to assist in this task. This new direction has led to the development of key goals and objectives, outlined in the Office of the Premier's three-year service plan, which guide all activities of the Office of the Premier, consistent with the vision and mission of the Government of British Columbia. To establish consistency in reporting, this report is structured as closely as possible around the goals and objectives outlined in the Office of the Premier 2002/03 – 2004/05 Service Plan.

Goal 1:

To make British Columbia a leader in electronic government, to facilitate public participation through the legislative process, achieve more effective delivery of services at a lower cost and improve access to services over the Internet.

Objectives	Strategies	Progress
Give all citizens and businesses better online access to core services. Increase access to information and help reduce the cost of paper flow and bureaucratic bottlenecks. Support the fastest growing technology industry in Canada.	Make any government service that can be delivered electronically available over the Internet. Work with the technology industry to capitalize on the tremendous potential for growth and job creation in exciting new sectors like biotechnology, forestry technology, software development, multi-media, electronics and telecommunications.	The Premier's Technology Council, composed of industry experts, was established and instructed to identify areas where technology can make government more efficient and improve the delivery of online services. A new electronic service delivery structure was developed and implemented, resulting in online delivery of 36 government services. New Internet portal technology that will provide the basis for new applications was implemented. In co-operation with the federal government, common, single identifier numbers for businesses were developed to provide online access to provincial and federal agencies.

Goal 2:

To improve the effectiveness of British Columbia's federal, interprovincial and international relations to support government priorities.

Objectives	Strategies	Progress
Enhance British Columbia's working relationships with other provincial and federal institutions. Advocate for more equitable distribution of federal transfer payments and contracts to ensure full provincial participation in federal funding programs. Eliminate interprovincial trade barriers.	Identify and rank intergovernmental priorities, and identify tools, mechanisms and an action plan to pursue them. Develop strategies in co-operation with other provinces to address a fairer equalization system. Develop a structured, ongoing relationship on provincial transborder issues to remove obstacles to interprovincial trade. Co-ordinate a program of co-operation with Washington, Montana, Idaho and Alaska.	Intergovernmental priorities have been developed and Cabinet has approved an action plan. British Columbia's priorities were reflected at the August 2001 Annual Premiers' Conference. In August 2001, Premiers reached consensus on the need to work together with the federal government on a more equitable federal equalization program. The Agreement on Internal Trade in the area of harmonizing professional qualifications has been implemented. Extensive liaison has been done with federal officials. The Premier has met with Governors from Idaho, Alaska and Montana. The Minister of State for Intergovernmental Relations has visited Alaska and has received several visits in Victoria and Vancouver from senior U.S. officials.

Goal 3:

To manage public resources and tax dollars within ministries and agencies responsibly and accountably.

Objectives	Strategies	Progress
Create an efficient and accountable system of Crown corporations. Ensure that all boards of Crown agencies have the skills required to manage the affairs of their organizations. Ensure that ministries and government organizations are publicly accountable to taxpayers both in the delivery of effective programs and services and in fiscal management. Focus government on the delivery of core services.	Ensure effective oversight of the system of Crown agencies. Establish process for merit-based board appointments in a transparent manner that represents community needs. Undertake a Core Services Review of all government ministries and develop implementation strategies.	The Fiscal Review Panel and B.C. Progress Board have been appointed to provide independent information on the province's fiscal and economic status. A new governance framework for Crown agencies has been developed. Crown agency guidelines have been developed for service plans and annual reporting. Written appointment guidelines for all Crown agencies have been developed and published. The biographies of all new appointees have been listed on the Board Resourcing and Development Office's Web site. The Core Services Review of all government ministries has been completed. Implementation plans stemming from ministry reviews are reflected in their three-year service plans. A review of all government agencies, boards and commissions is underway, with the ultimate goal of a 50 per cent reduction. The first British Columbia Government Three-Year Strategic Plan has been published, containing performance measures and targets.

Goal 4:

To ensure that government operations are efficient, open and accountable.

Objectives	Strategies	Progress
Focus on, and implementation of, cross-government priorities. Effective decision-making processes. Open and effective communication.	Provide a high quality of administrative support and services for Cabinet decision-making processes. Provide accessible information on government policy, programs and services. Refocus and restructure government communications services. Drive the transformation process in government.	Cross-sector committees of Deputy Ministers have been established to ensure consistent focus on cross-ministry issues. Deputy Ministers meet twice a month to enable effective communication and decision-making. Open Cabinet meetings have been held every month from June 2001 to March 2002, with exception of the meeting scheduled for September 12, 2001, which was cancelled following the events of September 11, 2001. Government communications services were refocused and restructured, but the new structure needed modification. Work began in March 2002 to determine an appropriate structure for government communications services. Leadership and management of the government's Web sites was provided to ensure easy access to information for the public.

Report on Resources

2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
			Operating Expenses ($000)		
Premier's Office	2,573		2,573	2,242	331
Executive Operations	2,828		2,828	3,601	(773)
Chief Information Office	2,550		2,550	2,458	92
Intergovernmental Relations Secretariat	3,414		3,414	3,282	132
Crown Agencies Secretariat	3,890		3,890	3,141	749
Public Affairs Bureau	5,118		5,118	3,557	1,561
Total	**20,373**	—	**20,373**	**18,281**	**2,092**
			Full-Time Equivalents		
Total	**198**	—	**198**	**159**	**39**
			Office Capital Expenditures ($000)		
Information Systems	466	—	466	184	282
Other	48	—	48	31	17
Total	**514**	—	**514**	**215**	**299**

Ministry of
Advanced Education

2001/02
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COLUMBIA

**Ministry of
Advanced Education**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Advanced Education.
Annual Report. — 2001/2002 -

Annual.
ISSN 1703-3594 = Annual Report - British Columbia. Ministry of Advanced Education.

1. British Columbia. Ministry of Advanced Education - Periodicals. 2. Postsecondary education - British Columbia - Periodicals. 3. Postsecondary education - Government policy - British Columbia - Periodicals.
4. Technical education – British Columbia – Periodicals. 5. Technical education – Government policy - British Columbia – Periodicals.
I. Title. II. Title: Ministry of Advanced Education Annual Report.

LC176.2.B7B74 353.8'8'0971105 C2002-960129-0

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Published by the Ministry of Advanced Education
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Advanced Education Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Shirley Bond

Hon. Shirley Bond
Minister of Advanced Education

June 26, 2002

BRITISH
COLUMBIA

Ministry of Advanced Education

I am pleased to present, on behalf of the Ministry of Advanced Education, an overview of achievements in the year 2001-2002 and ongoing work.

This past year has been one of change worldwide, as governments, industry and post-secondary education institutions come together to meet the many new challenges of the 21st century. British Columbia is among those pioneering a new education and training model to ensure its' citizens have the education and skills they need to compete in the new economy.

The B.C. government is optimistic about the future of post-secondary education, although getting from where we are to where we need to be will inevitably require some difficult decisions. Our province has the talent, the will, and the strategy to work through these challenges and accomplish great things in post-secondary education.

This past year we undertook a core services review. Every activity was assessed as to whether it was a core activity that was essential for post-secondary students, and whether it was being carried out as effectively and efficiently as possible.

This process resulted in significant changes as the ministry sharpened its focus. Specifically the ministry made strides towards expanding the capacity to train health care professionals; securing quality, affordable post secondary education opportunities for British Columbians; and repositioning our province to better meet the needs of students, industry and communities in the coming years.

Our *New Era* direction and the results of the core services review provide the catalyst for a new strategy that will set British Columbia on a new course.

The role of the Ministry of Advanced Education is to provide leadership and support for a top-notch advanced education and training system for B.C. post-secondary students. We will continue to work with all partners in the system to make sure post-secondary education fulfils its potential, is managed efficiently, meets the needs of students and produces value for the taxpayer dollars invested in it.

I am very proud of what the ministry has accomplished this year. I would like to thank all ministry staff, and the management team, headed by Gerry Armstrong, Deputy Minister, for their hard work and commitment during this transition year.

Shirley Bond

Hon. Shirley Bond
Minister of Advanced Education

Deputy Minister's Message

I am pleased to present the Minister of Advanced Education with the Ministry of Advanced Education Annual Report for the year 2001/02. This report provides a summary of the Ministry's performance and an accounting of the funds expended during the fiscal year.

This Report is a key element of our accountability to British Columbians. In accordance with the amended *Budget Transparency and Accountability Act*, it represents our commitment to the free flow of information regarding government business.

This past fiscal year saw major changes in the Ministry of Advanced Education. The core services review provided the impetus to define goals and develop the strategies to achieve them.

In direct response to the commitment to contribute to the health and well being of this province, in August 2001 the Ministry added 177 new nursing seats. This was the first step in a plan to expand training and post-secondary programs to graduate more Registered Nurses, Licensed Practical Nurses and Care Aides. Due to these seats, and seats added in 2000/01, approximately 500 additional graduates per year will enter the workforce beginning in 2004/05. Further to this, we announced a program of forgivable student loans for nursing and medical students who, upon graduation, commit to working for five years in underserved communities.

Finally, this Ministry began the restructuring of the province's industry, training and apprenticeship system, which must become more responsive to the needs of students, business and the economy.

The Ministry, along with its education partners and private sector partners, is well positioned to support the vision for post-secondary education that is necessary to place British Columbia in a secure position to succeed in the 21st century.

Sincerely,

Gerry Armstrong
Deputy Minister

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Year-at-a-Glance Highlights

In addition to reporting on performance measures, this Annual Report provides the Ministry with the opportunity to outline its achievements during the past year for British Columbians. The Ministry's major initiatives and activities in 2001/02 are described below.

- $134 million expenditure for construction of a Life Sciences Centre at the University of British Columbia and facilities at the University of Northern British Columbia and University of Victoria was approved which will allow for expansion of physician training in the province. This expenditure will support a new collaborative model of medical education that has been developed by the three universities and will be implemented in Fall 2004. Under this model, students in the four-year undergraduate Doctor of Medicine program will complete a portion of their education at UBC and the remainder at either UBC, University of Victoria or University of Northern British Columbia. The expanded program will increase the provincial medical student intake from the current level of 128, to 200 in 2004, and 224 in 2005.
- A $21 million package of nursing initiatives to address the province's nursing shortage and improve working conditions for nurses was announced. The package includes a number of initiatives such as more education and training spaces in nursing programs, forgivable student loans, and more English as Second Language training for foreign-educated nurses.
- As part of the Ministry's continuing work toward the establishment of the Leading Edge Endowment Fund (LEEF), consultation with The University Presidents' Council of British Columbia, industry groups and other stakeholders took place during fiscal 2001/02. As well, planning, research and other related tasks were completed and an implementation plan was finalized. In fiscal 2001/02, $27.7 million was disbursed towards the LEEF, $25.5 million of which was from the Ministry of Advanced Education. Criteria for establishing Chairs along with an implementation plan will be developed by the fund for 2002/03.
- In January 2002, the *Public Education Flexibility and Choice Act* was passed by the Legislature. Part 1 of the Act affects provisions in various collective agreements that could have an adverse impact on access by setting limits on class sizes and the assignment of faculty. This Act allows public colleges, university colleges and institutes to increase access for students by increasing class size and flexibility in scheduling.
- During the fall of 2001, the Minister of Advanced Education conducted an extensive consultation process on tuition with students, educators and education administrators throughout the province. Based on the results of this consultation, a decision was made in March of 2002 to deregulate tuition levels at all public post-secondary institutions in BC. This deregulation returns autonomy to the individual institutions to determine the appropriate tuition levels at their institution. Institutions will report back to the Select Standing Committee on Education on how they have invested the increased revenue to the benefit of students.
- Simon Fraser University was selected to assume responsibility for students and assets of the Technical University of British Columbia. As an established university with a national reputation, SFU will offer students the same range of programs previously available at TechBC. This will help ensure continuity for TechBC students currently in mid-program, as well as provide new options and increased student spaces at SFU for students wishing to pursue a high-technology education.

- A Federal/Provincial Agreement for Older Worker Pilot Projects was negotiated. This $1.4 million agreement resulted in the implementation of 15 pilot projects throughout the Province to assist unemployed workers aged 55-64 to remain in the labour market. The projects will operate until March 31, 2003.
- The core services review included a review of the administration of industry training in British Columbia. The review included stakeholder consultation and an examination of the delivery of industry training and apprenticeship programs. As a result of the review, the government decided to phase out the Industry Training and Apprenticeship Commission and implement a new approach to industry training and apprenticeship for British Columbia. The new industry training and apprenticeship system will be more flexible, efficient and responsive to student and industry needs.
- As part of the administrative justice project and core services review, the Private Post-Secondary Education Commission (PPSEC) was examined to identify opportunities to eliminate unnecessary regulations, policies and procedures. As a result of the review, Cabinet announced a decision to replace PPSEC with a self-regulating, cost-recovery board consisting of industry representatives. A new regulatory model will be developed. Until the transition to the new model is complete, the legislation and regulations for PPSEC will remain in place.

Ministry Role and Services

The Ministry of Advanced Education provides overall funding and program coordination for British Columbia's public post-secondary education and training system. The Ministry administers 20 provincial statutes governing public and private post-secondary institutions and some professions.

Management of the public post-secondary education and training system is a collaborative effort between the Ministry and the province's post-secondary institutions. The Ministry provides leadership and direction, establishes policy and accountability, and provides funding through operating grants for the post-secondary institutions and contributions towards capital projects. The post-secondary education institutions deliver programs and courses, provide education and training to students, and undertake research.

In British Columbia, post-secondary education and training is delivered through public and private institutions. In the public system, students have the choice of traditional and specialized universities, university colleges, community colleges, provincial institutes and the Open Learning Agency. Overall, the system provides a comprehensive range of post-secondary education and training programs, including adult basic education, industry training, career technical, academic, vocational and continuing education programs. Successful program completion provides students with a certificate, diploma, baccalaureate or graduate degree.

Post-secondary education provided by the private sector is also consistent with government's commitment to access and choice in education. Several new initiatives are underway to ensure more opportunities for students and a level playing field for private institutions. In 2001/02, over 1,100 private post-secondary institutions were registered to operate in the province. Of these, 14 are offering degree programs in BC from their home jurisdictions and approximately 240 are accredited. Accreditation is a requirement for designation (eligibility) for student financial aid in British Columbia.

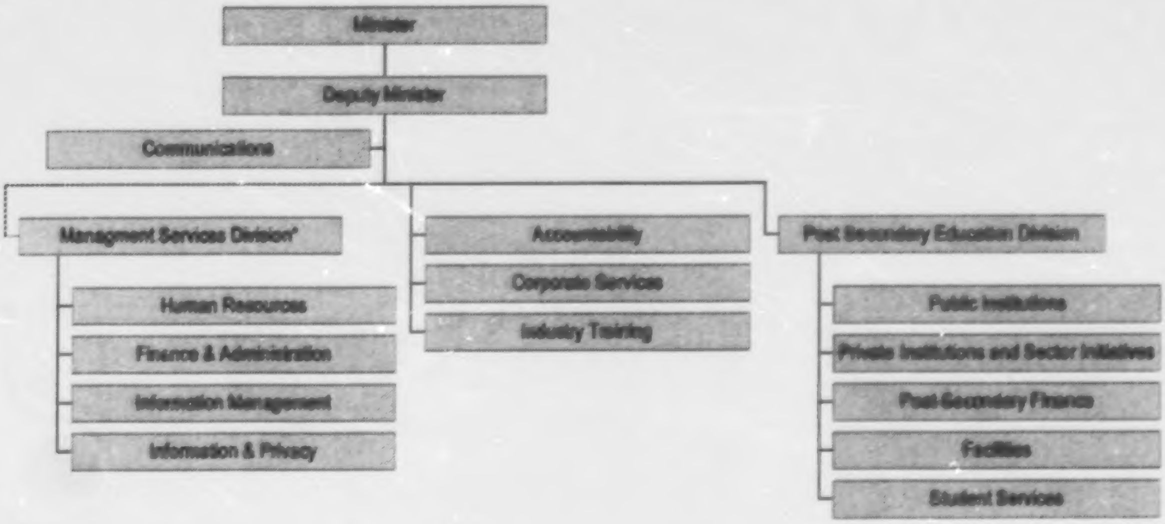
The Ministry is also responsible for student financial assistance programs that provide loans and grants to eligible students to cover educational and living costs while they are enrolled in post-secondary studies.

On January 17, 2002, as a result of the outcomes of the core services review process, a major reorganization of the Ministry of Advanced Education was announced. This new organization reflects the new goals and objectives of the Ministry. The following section provides a brief overview of this new structure.

Ministry Structure

On March 31, 2002, the Ministry was organized into two divisions, three central service branches and the communications branch. Each of these divisions and branches reports to the Deputy Minister who provides co-ordination and administrative direction to the Ministry. The responsibilities of each of the divisions and the branches are briefly summarized below.

Ministry Organization as of March 31, 2002


Minister
Deputy Minister
Communications
Managment Services Division*
Human Resources
Finance & Administration
Information Management
Information & Privacy
Accountability
Corporate Services
Industry Training
Post Secondary Education Division
Public Institutions
Private Institutions and Sector Initiatives
Post-Secondary Finance
Facilities
Student Services

*Note: Management Services Division provides central services to the Ministry of Advanced Education, the Ministry of Education and the Ministry of Skills Development and Labour. The budget is in the Ministry of Education Estimates.

Post Secondary Education Division

The Post Secondary Education Division manages the overall funding and program co-ordination for the public post-secondary education system including policy and strategic planning and student financial assistance programs. The division contains five branches: Public Institutions, Private Institutions and Sector Initiatives, Post Secondary Finance, Facilities and Student Services. The main responsibilities of each of the branches are as follows:

- *Public Institutions:* provides leadership, direction and support to all of British Columbia's public post-secondary institutions as well as managing an array of advanced education programs and issues.
- *Private Institutions and Sector Initiatives Branch (PISIB):* is responsible for managing a range of private education and training policy issues and providing leadership and support to private degree granting institutions, private institutions that offer career-related training and other private sector education and training stakeholders.
- *Post Secondary Finance:* is responsible for corporate budget management; development of operating grants for public post-secondary institutions; development and maintenance of financial information systems; and the financial management of all post secondary contributions, including capital debt.

- *Facilities:* manages the development of capital plans and expenditures for all the public post-secondary facilities including: capital planning; budget development; facilities upgrading; capital leases; capital equipment; risk management; cyclical and deferred maintenance programs; and, WCB issues at institutions.
- *Student Services:* the primary responsibility of the Student Services Branch is the administration of the British Columbia Student Assistance Program (BCSAP). BCSAP is a comprehensive program of federal and provincial financial aid available to students at the post-secondary level.

Management Services Division

The Management Services Division provides budgeting, financial, administrative, information technology, information management, freedom of information, protection of privacy, and human resources services, for the Ministry of Advanced Education, Ministry of Education, Ministry of Skills Development and Labour, the Industry Training and Apprenticeship Commission, Workers Compensation Review Board, Labour Relations Board and other smaller agencies.

Central Service Branches

These three branches provide corporate policy, research and planning services, including strategic planning.

- *Corporate Services Branch* is responsible for providing leadership, expertise and support to ensure the Ministry of Advanced Education is successful in fulfilling its *New Era* Commitments, and in advancing the Ministry's and Government's priorities at the provincial, federal/provincial, intergovernmental, and international levels. This includes managing the Ministry's legislative and strategic policy agendas; supporting inter-governmental relations, negotiations and agreements; and managing the international education program and board appointment process.
- *Industry Training Branch* is responsible for working in conjunction with industry stakeholders to develop and implement a more flexible, industry-driven, competency based training system to address the skill shortage challenge. The Industry Training Branch is working with the Industry Training and Apprenticeship Commission to wind down the Commission's activities as the new industry training system is implemented.
- *The Accountability Branch* is responsible for developing and implementing an accountability framework; conducting evaluations of Ministry programs; corporate planning and reporting, developing and maintaining the Central Data Warehouse for college student data, funding and coordinating the annual student outcomes surveys, and developing labour market information products and services.

Communications Branch

The Communications Branch has broad corporate responsibilities to guide and support the Ministry through all communications-related activities, including issues management and media relations, strategic communications, ministry and ministerial correspondence, publications, events, public information materials and a toll-free inquiries line.

Boards, Commissions and System Agencies

In addition to the work undertaken within the Ministry itself, a number of boards, commissions and system agencies receive funding from, and report to, the Ministry. These include:

- *BC Council on Admissions and Transfer (BCCAT)* — provides leadership and direction in facilitating articulation, transfer and admission arrangements among BC post-secondary institutions. (www.bccat.bc.ca).

- *Centre for Curriculum Transfer and Technology (C2T2)* — an independent society which promotes excellence in post-secondary education by encouraging innovations in teaching, learning and assessment; working toward long-term, systemic improvement in education; and developing flexible means to facilitate student transitions and lifelong learning. (www.ctt.bc.ca).
- *Centre for Education Information Standards and Services (CEISS)* — an independent society that provides research and technology services to the post-secondary education system in B.C. (www.ceiss.org).
- *Industry Training and Apprenticeship Commission (ITAC)* — was established in November 1997 to administer the apprenticeship and training system. ITAC reports jointly to the Ministries of Advanced Education, and Skills Development and Labour. The Industry Training Branch is working with ITAC to wind down its activities as the new industry training system is implemented. (www.itac.ca).
- *Private Post-Secondary Education Commission (PPSEC)* — provides consumer protection, encourages integrity and high standards within the private post-secondary sector, and administers the registration and accreditation of private post-secondary institutions. A review of PPSEC was conducted during the fiscal year, and in February 2002, Cabinet announced a decision to replace PPSEC with a self-regulating, cost-recovery board consisting of industry representatives (www.ppsec.bc.ca).
- *British Columbia Centre for International Education (BCCIE)* — a non-profit society that promotes and coordinates international education activities on behalf of the public post-secondary education system.[1] (www.bccie.bc.ca).
- *Contract Training and Marketing Society (CTM)* — a society established in 1997 that acts as a single contact point or referral agency to facilitate the development of programs and services in response to training or learning needs of government, agencies, employers and community groups.[2] (www.ctms.org).

2001/2002 — A Transition Year

This annual report relates to the fiscal year of April 1, 2001 to March 31, 2002, which was a transition year as a new government was sworn into office on June 5, 2001. This report provides an update on all Ministry activity during the fiscal year and also provides a report on performance measures. The performance measures and targets for most current Ministry activities supplied in the Ministry's 2002/05 Service Plan had not yet been fully developed during the 2001/02 fiscal year. However, this Annual Report will report on the current status of performance measures that were carried over from the 2001/04 Performance Plan, as well as those contained in the 2002/03 - 2004/05 Service Plan. Many of the performance measures in the Service Plan are still under development, however, this Annual Report sets out the overall structure and framework that will be used for future annual Service Reports.

The first full Service Report required under the BTAA is the report on the 2002/03 fiscal year, which will be based on the commitments made in the 2002/03 - 2004/05 Service Plan. This plan was tabled with the Budget in February of 2002, and can be viewed on the Ministry's Web site at (www.gov.bc.ca/aved).

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[1] As a result of the core services review, the decision was made in 2001/02 to cease funding provided to BCCIE after March 31, 2002

[2] As a result of the core services review, the decision was made in 2001/02 to cease funding provided to CTM after March 31, 2002

Ministry Profile

Vision

The Ministry of Advanced Education envisions a province where all British Columbians have affordable access to the best possible, technologically advanced, integrated and accountable post-secondary education system.

Mission

The Ministry of Advanced Education provides leadership and support for a top-notch advanced education and training system that provides all British Columbians with opportunities to develop the skills and knowledge they need to live productive and fulfilling lives, and to contribute to the changing economic, social, and cultural life of the province.

Values

The following values guide the Ministry in its work:

- A student-centred post-secondary education system.
- Excellence, innovation and continuous improvement.
- Relevance and responsiveness of the post-secondary education system.
- Life-long learning opportunities for all British Columbians.
- A positive and supportive working environment.
- Effective working partnerships.
- Greater equity and equality for British Columbians.
- Results-based accountability.
- Fiscal responsibility.

Given these core values and the new strategic direction for the Ministry, at the November 7, 2001 open Cabinet meeting approval was given for the following strategic shifts for the Ministry of Advanced Education, and the post-secondary education system.

- **More choice for students** — to ensure the system serves students better and more flexibly, and to allow students to take advantage of the increasing array of choices, which include more on-line learning and part-time learning.
- **More accountability to taxpayers** — to focus on success by encouraging the acceptance of explicit results-oriented accountability by the post-secondary system.
- **Better alignment between the costs and benefits** — to ensure that the costs of post-secondary education are aligned with the benefits it provides. This implies determining the appropriate share of costs between government, students, families, and the private sector.
- **Better links to the public interest and the economy** — to create closer and more effective links Between the post-secondary education system and the economy and the public interest.
- **Coherent and integrated public system** — to reshape public post-secondary institutions into a more coherent, integrated system with differentiated institutions working together in a complementary manner.

To achieve the strategic shifts, Cabinet also approved a "nine-point plan" of major initiatives for the Ministry to undertake between the fiscal years 2002/03 and 2004/05. The nine points are:

- **Creating more choice for students** — the Ministry will work on a series of measures to provide more choice. On-line learning will be enhanced. Transferability of credits earned between institutions will be expanded and made easier. The potential for pursuing degrees from a wider variety of quality institutions, both public and private, will be explored.
- **Build bridges to students** — more inclusive and direct communications between government and students will be established. It is important to know what students want and are thinking about in order to make the system more relevant to their needs.
- **Rationalize student financial aid programs** — the various student financial assistance programs will be combined into a more coherent, integrated and understandable program. The Ministry will also work toward reducing student loan default rates.
- **Review tuition policy** — the Ministry will develop a tuition policy to replace the current tuition fee freeze. The policy will seek to balance the appropriate costs of education between government, students and families.
- **Overhaul funding formula** — the funding formula will be changed to reflect the government's goal of increasing accountability. Funding will be focused on results. Colleges, university colleges and institutes, like universities, will receive block funding that will allow them to become more autonomous while continuing to provide information that will report on the effective use of public funds.
- **Clarify roles and mandates** — this review of the roles and mandates will promote more cooperation among institutions. Clearer mandates and more integration among the differentiated set of institutions will provide students with the programs and courses they need, in the form and at the times they want them.
- **Forge links between education and the economy** — links will be forged in a variety of ways. The private sector will be approached to increase their financial support for post-secondary education, for example, through establishing research chairs at universities jointly funded with government. A program of personnel interchanges will bring experts from the institutions into government to help provide expertise on various policy issues. A Minister's Advisory Council will be created to bring together the system's stakeholders to ensure better focus on priorities and achieving the strategic shifts. The Ministry will also work with Intergovernmental Relations to ensure that B.C. maximizes its share of federal research funds.
- **Refocus and reorganize the Ministry** — internal changes to the Ministry are required so it can focus its efforts on delivering the strategic shifts. A smaller Ministry will focus on achieving the *New Era* commitments and moving towards results-based management.
- **New legislation in 2002** — several legislative changes will be required to address many of the changes described above. New legislation will be introduced to enhance degree-granting opportunities including the private sector. Legislation will be required to implement the new tuition policy. Other legislation may be required as a result of the Core Services Review and budget process or from future discussions with stakeholders.

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Ministry Goals and Objectives

The Ministry nine-point plan led to the development of a series of goals, objectives and performance measures that were identified in the Ministry of Advanced Education Service Plan for 2002/03–2004/05. Although these goals and measures were not in place at the beginning of the reporting period for this report, they do represent the significant shift in Ministry direction that took place during the 2001/02 fiscal year. As a result, these goals will form the basis for the reporting section of this report. During the development of the 2002/03 – 2004/05 Service Plan (www.gov.bc.ca/aett), three goals and nine strategic objectives were established for the Ministry. These goals and objectives are outlined below.

Goal 1 — A Top-Notch Post-Secondary Education System

To provide students with an accessible, affordable, high quality and relevant post-secondary education.

STRATEGIC OBJECTIVES

1. Promote a more efficient and integrated post-secondary education system
2. Enhance student choice
3. Improve quality of education
4. Balance the costs and benefits of post-secondary education

Goal 2 — Economic and Social Development

To provide students with the skills and knowledge for the workforce and the economy, and to respond to critical shortages in the labour market.

STRATEGIC OBJECTIVES

5. Address shortages in strategic skills areas
6. Expand training and skills development
7. Expand research capabilities in the province

Goal 3 — Responsive and Effective Management

To provide students with financial assistance services, and provide leadership to the post-secondary education system.

STRATEGIC OBJECTIVES

8. Improve ministry business practices
9. Develop a post-secondary education accountability framework

The goals listed above link directly with the Ministry core businesses as identified by the core review process (see Table 1) and with the overall government priorities as illustrated in Table 2. Based on the Ministry goals and objectives, 22 measures were selected to measure the performance of the Ministry and the post-secondary education system. A comprehensive analysis of these measures begins on page 17.

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Goal 2 — Economic and Social Development

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Table 1 — Ministry Core Business

Core Business	Ministry Goal
Educational Institutions and Organizations The Ministry provides base funding to four traditional universities and two specialized universities*, five university colleges, eleven community colleges, three provincial institutes, two Aboriginal institutes and the Open Learning Agency.	A Top-Notch Post-Secondary Education System Economic and Social Development
Industry Training and Apprenticeship The Ministry works to expand training opportunities in industry growth areas, particularly high-tech and other knowledge industries, and to promote awareness of industry training and apprenticeships among young people.	Economic and Social Development
Student Financial Assistance Programs Student financial assistance is a comprehensive program of financial aid available to students at the post-secondary level. It combines repayable loans, and non-repayable assistance in the form of grants and debt reduction measures, awarded on the basis of each student's financial need. Additional assistance is provided through Special Programs (e.g. Loan Forgiveness for Doctors/Nurses, Nurses Education Bursary, and grants to students with disabilities).	Economic and Social Development Responsive and Effective Management
Debt Service Costs and Amortization of Prepaid Capital Advances The Ministry provides funding to finance capital projects, including upgrades, renovations, replacements, expansions and new facilities.	A Top-Notch Post-Secondary Education System
Program Management The Ministry provides leadership and direction, establishes policy and accountability, and provides funding to the system.	Responsive and Effective Management

* Note: In 2001/02, the Ministry funded TechBC. In February 2002, Cabinet announced that Simon Fraser University would assume responsibility for the students and assets of TechBC, and the Ministry would no longer directly fund it.

Table 2 — Links to Government Priorities

Government Priority	Ministry Goals	Clarifying Remarks
A top-notch education system for students of all ages.	A top-notch post-secondary education system	The Ministry provides leadership, policy direction and funding for the post-secondary education system in B.C.
High quality health care services that meet all patients' needs where they live and when they need it.	Economic and social development	The Ministry funds spaces in nursing and medical programs, courses for foreign-trained nurses and doctors, and administers a loan forgiveness program for new nurses and doctors who work in under-served areas of the Province.
A thriving private sector economy that creates high paying job opportunities.	Economic and social development	The Ministry ensures that the public post-secondary education programs are relevant and responsive to the needs of the economy and labour market, and that learners are prepared for a changing and increasingly technological workplace. The ministry also acknowledges the role of the private post-secondary education and training sector.
The fastest growing technology industry in Canada.	Economic and social development	The Ministry encourages a growing technology sector. The Ministry will double the annual number of computer science, electrical and computer engineering graduates, and support research and development activities at the public post-secondary level.
Greater equity and equality for British Columbia in Canada.	A top-notch post-secondary education system Economic and social development	The Ministry provides equitable opportunities to attend public post-secondary education for all students.
The most open, accountable and democratic government in Canada.	Responsive and efficient management	The Ministry treats its clients and stakeholders in a fair and transparent manner.
Responsible, accountable management of public resources and tax dollars.	Responsive and efficient management	The Ministry ensures accountability, effective use of resources, and long term stability of the post secondary education system.

Update On *New Era* Commitments

On June 25, 2001, the Premier wrote to all Cabinet Ministers and identified the specific *New Era* Commitments for which they would be directly responsible. These *New Era* Commitments focused the development of goals and objectives for the Ministry for 2001/02 and subsequent fiscal years. Table 3 identifies the *New Era* Commitments that are specific to the Ministry of Advanced Education (AVED), and updates the progress to date on these commitments.

Table 3 — Status of *New Era* Commitments

New Era Commitment	Current Status
Double annual number of graduates in computer science, and electrical and computer engineering, within five years.	• With input from the post-secondary system and industry, AVED identified a target of 880 new degree graduates by 2006/07 to meet the commitment. In order to meet this target government will provide funding for a total of 3,400 new spaces over a five-year period beginning in 2002/03.
Increase investment in technological research and post-secondary skills training and, with Ministry of Finance, increase research funding for colleges, universities and institutes.	• AVED will meet this commitment through establishment of the Leading Edge Endowment Fund and through its continuing work with Intergovernmental Relations officials to develop strategic approaches to increase access to federal research funding. Refer to the status update under each of these initiatives. • AVED also continues to administer the British Columbia Knowledge Development Fund (BCKDF), which was established to enhance the province's research infrastructure through provision of capital funding for public post-secondary institutions, teaching hospitals and affiliated non-profit agencies.
Establish a "Leading Edge Endowment Fund" based on cost-sharing partnerships with the private sector, to establish 20 permanent BC Leadership Chairs across the province in the fields of medical, social, environmental and technological research.	• AVED undertook consultation with post-secondary representatives, industry groups and other stakeholders as part of its continuing work toward the establishment of the Leading Edge Endowment Fund (LEEF). As well, planning, research and other related tasks were completed and an implementation plan was finalized. In fiscal 2001/02, $25.5 million was disbursed towards the LEEF. Criteria for establishing Chairs along with an implementation plan will be developed by the fund for 2002/03.
Strengthen our network of colleges, institutes and on-line learning throughout the province.	• In 2001/02, a total of 260 funded on-line student spaces were allocated to the public post-secondary education system, an increase of 200 FTEs from the previous year. The FTEs were allocated in three on-line programs. In future years, additional funded student spaces and the implementation of integrated support services will enable AVED to meet this commitment. • This commitment is assisted by private training delivery, which supports additional program delivery in diverse areas such as business, high tech occupations, as well as areas of high demand such as the health sector and trades.
Support the 5% tuition cut and tuition freeze and fully fund it in the 2001/02 fiscal year to offset costs to post secondary institutions.	• Funding to compensate institutions for reduced revenue as a result of the 5% reduction in tuition fee levels was provided.

With Ministry of Finance:	
Consult with educators, students and administrators on the hidden costs to students and institutions of previous tuition freezes that were not properly funded by government and that have reduced student access and reduced course offerings.	• In the fall of 2001, the Minister conducted an extensive consultation process on tuition. As part of this process the Minister met with student representatives, educators and administrators from all public institutions to determine their perspective on the tuition fee freeze. The information gathered through this process provided input into a new tuition policy, which was announced in March of 2002.
With the Ministry of Skills Development and Labour:	
Work with employers, post-secondary institutions and the Industry Training and Apprenticeship Commission to increase training and apprenticeships in trades and technical sectors.	• $75.99 million was allocated in fiscal 2001/02 to fund industry training and apprenticeship programs.
Coordinate to direct funding to areas of critical skills shortages training.	• The Ministry has established a Provincial Industry Training Transition Advisory Committee to advise on strategies for industry training, which will position the province to respond strategically to projected skills shortages.
Cooperate with the Ministry of Skills Development and Labour and Intergovernmental Relations to ensure we maximize our share of federal research funds.	• AVED and IGR staff held discussions with officials from the provincial public universities to formulate a strategic approach to further this initiative. This project is currently under development.
With the Ministry of Health Planning:	
Expand training and post-secondary programs to graduate more Care Aides, Licensed Practical Nurses and Registered Nurses.	• As part of a $21 million package of nursing initiatives to address the province's nursing shortage, government announced 177 new education and training spaces allocated as follows: 78 for registered Nursing programs, 49 for licensed practical nursing programs and 50 for resident care aide programs. These spaces were provided to participating public post-secondary institutions in January 2002. The Ministry will continue to address this commitment in future years through additional funded student spaces in these programs as well as allied health programs identified as priority areas by the Ministry of Health Planning.
Develop Rural and Remote Training program and provide forgivable loans to students attending accredited nursing and medical schools provided they practice for five years in under-served communities in BC.	• AVED announced a $1.32 million loan forgiveness program for nursing and medical students who agree to work for five years in underserved areas of the province. Implemented in November 2001, the program offers students graduating during or after 2000/01 a chance to write off all outstanding BC loan debt at a rate of 20 per cent per year of practice, up to five years.

With the Ministry of Health Planning: — *Continued*	
Increase the number of medical school graduates over next five years.	• Within *New Era* initiatives, planning began in 2001/02 to increase the number of medical school graduates in British Columbia. This plan includes a new collaborative model of physician education involving UBC, UNBC and UVic, a new $110 million Life Sciences Centre at UBC and capital investments to facilitate medical education at UNBC and UVic. A new model of medical education will use existing UBC curriculum with adaptation to employ extensive use of distributed learning or "telemedicine". The Northern Medical Program at UNBC will address special issues for northern communities including Aboriginal and environmental health, and injury management. The Island Medical Program at UVic will add expertise in biomedicine, nursing and neuropsychology as well as in specific population areas such as aging and youth. Start-up funding of $5.0 million will be provided in 2002/03 to allow for planning, curriculum development and library acquisitions. In future years, additional funded FTEs will be provided to the provincial post-secondary system to enable AVED to meet the *New Era* commitment.
Develop a 10 year human resource plan that properly provides for the training, recruitment and retention of physicians, nurses, specialists and other health care providers in every area of the province and that addresses critical skills shortages and staffing levels in under-serviced areas.	• AVED is participating in the development of a 10-year health human resource plan as led by the Ministry of Health Planning (MOHP). AVED also participates in the Health Human Resources Advisory Committee (HHRAC), which is led by the Ministry of Health Planning. HHRAC is the primary forum to address health human resource issues for the province and is composed of educators, health care employers, provincial government representatives, unions and professional associations. For future years, the Ministry will continue to support MOHP and ensure that expansion of post-secondary health programs is closely aligned with the overall 10-year human resource plan.
Increase training spaces and recruitment of foreign trained nurses and physicians.	• AVED funded two classes of English as a Second Language for foreign-educated nurses. In future years, the Ministry will continue to work with the Ministry of Health Planning and the province's public post-secondary institutions to identify further opportunities for meeting this commitment.
Train more social workers to meet the critical skills shortages.	• AVED staff, in consultation with officials from the Ministry of Children and Family Development, determined that there was a shortage of aboriginal social workers and child and youth care workers. In future years, additional funded student spaces will be provided to the public post-secondary system to enable AVED to meet this *New Era* Commitment.
With the Ministry of Competition, Science and Enterprise (MCSE)	
Consolidate and rationalize scientific activities within government.	• While MCSE has the lead on this project, AVED officials were consulted in 2001/02 on possible next steps to further this initiative and will continue to be involved in future discussions as this project progresses.

Performance Reporting

Based on the Ministry goals and objectives, 22 measures were selected to measure ministry performance. In this report, each goal and objective is followed by the Ministry or system activity that contributes to the goal (strategic objective), and the way the achievement of that goal will be measured (performance measure).

Goal 1 — A Top-Notch Post-Secondary Education System

This government is committed to providing British Columbia with a top-notch post-secondary education system. This can be accomplished in part by providing British Columbia students with an accessible, affordable, high quality and relevant post-secondary education. The Ministry's role is to provide leadership, policy direction and funding for the system. Within the goal of a top-notch education system, the Ministry has identified the following four main strategic objectives:

1. Promote a more efficient and integrated post-secondary education system
2. Enhance student choice
3. Improve quality of education
4. Balance the costs and benefits of post-secondary education

Link to Government Priorities

Priority 1 A top-notch education system for students of all ages.

Priority 8 Greater equity and equality for British Columbia in Canada

Linkages to Core Business:

Educational Institutions and Organizations

The Ministry provides base funding to four traditional universities and two specialized universities, five university colleges, eleven community colleges, three provincial institutes, two Aboriginal institutes and the Open Learning Agency.

Debt Service Costs and Amortization of Prepaid Capital Advances

The Ministry provides funding to finance capital projects, including upgrades, renovations, replacements, expansions and new facilities.

Performance Measures by Objective:

Goal 1, Objective 1 — Promote a more efficient and integrated post-secondary education system by:

- **Improving Graduation Rates** — The Ministry works with post-secondary institutions to improve success.
- **Encouraging System Integration** — The Ministry works with the post-secondary system to develop a more coherent and integrated system.

Performance Measure #1: Number of degrees, diplomas and certificates awarded in the public system

Reason for the measure: The availability of a skilled workforce will be a determining factor in the development of British Columbia's economy in the coming years. This performance measure provides an indication of the number of graduates from degree, diploma and certificate programs in British Columbia's public post-secondary education system, as well as the number of certificates issued for completion of a trades training program.

How the results are measured: Currently, only data on the number of degrees awarded by the public universities are available. In addition, degrees are awarded from university colleges, British Columbia Institute of Technology and Emily Carr Institute of Art and Design. Work is underway to obtain information on college diplomas and certificates, which should be available in fiscal 2002/03. The information on trades certificates issued is from the Apprenticeship Information Management System operated by ITAC.

Data reliability: The degrees awarded are self-reported to the University Presidents' Council of British Columbia. The information is considered a quantifiable, reliable measure, which is based on the main focus of their business. Trades certificates are issued by ITAC and the information is very reliable.

	Target	Actual	Variance
Number of degrees, diplomas and certificates awarded	Establish baseline in 2001/02	• In 2000/01, BC public universities conferred 12,644 undergraduate and 2,974 graduate degrees. *(Note: 2001/02 numbers are not yet available)* • In 2001/02, 3,044 Certificates of Apprenticeship, 4,483 Certificates of Qualification, and 2,983 Red Seal Certifications were issued.	N/A

Performance Measure #2: Mandate, roles and responsibilities of the system reviewed.

Reason for Measure: Beginning in 2002/03, this measure will be used to determine progress toward fulfilling the *New Era* commitments to promote cooperation and better integration between post-secondary institutions, and to reshape institutions into a more coherent system with differentiated institutions working together in a complementary fashion.

How the results are measured: The introduction of legislation or policy direction from the Ministry to the system in 2002/03 will clarify government structures and institutional mandates and lead to a more responsive post-secondary system. Early results can be measured through student satisfaction surveys and increased number of transfer arrangements between institutions.

Data Reliability: N/A

	2001/02 target	2001/02 Actual	Variance
Mandate, roles and responsibilities of the system reviewed	N/A	Review underway	N/A

Performance Measure #3: Number of credit transfer arrangements.

Reason for Measure: The number of course transfer agreements in place in the public post-secondary system provides an indication of the number of opportunities for students to receive credit for course work completed at one post-secondary institution when pursuing further education at another post-secondary institution.

How the results are measured: The number of course transfer agreements was determined from the BC Council of Admissions and Transfers — (BCCAT) 2001/02 Annual Report. The number of transfer agreements identified in the table includes only a handful of private institutions (Columbia College, Coquitlam College, Corpus Christi College, and Trinity Western University). The Ministry also encourages linkages between private and public institutions and the articulation and development of transfer arrangements.

Data Reliability: Very reliable

	2001/02 target	2001/02 Actual	Variance
Number of credit transfer arrangements	N/A	*March 31, 2002* - Number of course transfer agreements = 47,281 *March 31, 2001* - Number of course transfer agreements = 45,392	N/A

Goal 1, Objective 2 — Enhance Student Choice

- **Expand On-line Access** — The Ministry works to develop e-Merge/B.C. campus on-line initiatives.
- **Expand Degree Granting Options for Students** — The Ministry works to expand the number of degree-granting institutions through the development of a quality assurance board.

Performance Measure #4: Enactment of enabling legislation

Reason for Measure: The *Degree Authorization Act* will make it possible for private institutions and public institutions from outside the province to grant BC degrees, will enhance degree-granting opportunities for BC public post-secondary institutions, will ensure that BC degree programs have a solid education foundation, are marketable and are of high quality and that BC students will have a wider variety of choice and flexibility in their pursuit of post-secondary education.

How the results are measured: Measure will be completed when the quality assessment process, criteria and board are established and the *Degree Authorization Act* is brought into force.

Data Reliability: N/A

	2001/02 target	2001/02 Actual	Variance
Enactment of enabling legislation	N/A	Development of *Degree Authorization Act* for enactment in 2002/03	N/A

Performance Measure #5: Number of new FTE's enrolled in on-line learning

Reason for Measure: Beginning in 2002/03, this measure will be used to determine the progress toward meeting the *New Era* Commitment to strengthen our network of colleges, institutes and on-line learning through the province.

How the results are measured: In the post-secondary education sector, annual FTE reporting is the usual process for performance measure of productivity. Annual FTEs are reported by each institution to AVED via specific guidelines established by the Ministry, or, in the case of the universities, via guidelines set by The University Presidents' Council of British Columbia. In this case, participating institutions will report the net increase of spaces provided and actual number of students enrolled in on-line learning programs.

Data Reliability: Annual FTE reporting is a process audited by external organizations; therefore, this data would have a high degree of reliability.

	2001/02 target	2001/02 Actual	Variance
Number of new FTE's enrolled in on-line learning	N/A	Baseline to be established in 02/03	N/A

Goal 1, Objective 3 — Improve Quality of Education

- **Quality Enhancement** — The Ministry recognizes that quality is in part reflected by the value students place on the education they receive.

Performance Measure #6: Student Outcomes: critical thinking, communications, problem solving

Reason for Measure: Student feedback on their education experience is an important indicator of the quality and relevance of the post-secondary education system. For colleges, the measure reflects college students' assessment of how well their education program enabled them to acquire communications (written and oral), critical thinking and/or problem solving skills. For universities, the measure reflects university students' assessment of how the communication and problem solving skills they gained in their education were used in the performance of their job. The level of skill gain students indicate they received from their education experience is thought to be a reflection of the quality of education offered.

How the results are measured:

Colleges & Institutes: The College and Institute Student Outcomes Survey is an annual survey of former students of public colleges, university colleges, institutes and the Open Learning Agency. Data are collected through a telephone survey of students who have completed all or a significant portion of their programs within the last 9 to 20 months. The survey asks former students questions on their activities subsequent to leaving their program, and if they are satisfied with the education they received. The most recent survey available is from the 2001 survey of students who left their program at some point between July 1, 1999 and June 30, 2000.

Universities: The University Baccalaureate Graduate Survey is an annual survey of baccalaureate graduates for the five public universities in B.C. Data is collected on graduates of baccalaureate programs (excluding graduates from medical and dental programs, international students, and those currently living outside North America), two and five years after graduation. The most recent survey data available is from the 2001 survey of students who graduated in 1996. Data reported for the 2001 survey only represents graduates of the University of British Columbia, Simon Fraser University, the University of Victoria and the University of Northern British Columbia: There were no graduates from Royal Roads University in 1996.

Data Reliability: It is not possible to directly compare information collected from former college students and university graduates owing to the differences between the two survey methodologies, including when former students are contacted and what questions they were asked. Both surveys were designed and are administered by representatives of British Columbia post-secondary institutions and the Ministry of Advanced Education, with data collection conducted by reputable and well established survey organizations. As a result, the data is considered by all participants to be as reliable as is possible for student outcome surveys.

	2001/02 target	2001/02 Actual	Variance
Student Outcomes: critical thinking, communications, problem solving	Baseline	**Colleges & Institutes** % of former students who indicated their program prepared them 'very well' or 'well' for the following skills*: Written Communication = 74% Oral Communication = 73% Analysis/Problem Solving = 80% **University** % of graduates who indicated the following skills were used "to a great extent" and "to some extent" in performing the duties of their main job: Verbally expressing opinions and ideas = 96% Clear and concise writing = 93% Resolving issues and problems = 97%	N/A

* Excludes students who indicated skill was not applicable to their program

Performance Measure #7: Student Outcomes: usefulness of education in performing job

Reason for Measure: This measure reflects students' assessment of the degree to which the knowledge and skills they gained through their education enable them to perform the tasks required of them in their employment. For colleges, the measure reflects the students' assessment of how their overall education is applied (useful) in their employment. For universities, this measure reflects whether the knowledge and skills students obtained through their education were required to perform their employment tasks. This measure provides an indication of the relevance of post-secondary education to the labour market.

How the results are measured:

Colleges & Institutes: The College and Institute Student Outcomes Survey is an annual survey of former students of public colleges, university colleges, institutes and the Open Learning Agency. Data are collected through a telephone survey of students who have completed all or a significant portion of their programs within the last 9 to 20 months. The survey asks former students questions on their activities subsequent to leaving their program, and if they are satisfied with the education they received. The most recent survey available is from the 2001 survey of students who left their program at some point between July 1, 1999 and June 30, 2000.

Universities: The University Baccalaureate Graduate Survey is an annual survey of baccalaureate graduates for the five public universities in B.C. Data is collected on graduates of baccalaureate programs (excluding graduates from medical and dental programs, international students, and those currently living outside North America), two and five years after graduation. The most recent survey data available is from the 2001 survey of students who graduated in 1996. Data reported for the 2001 survey only represents graduates of the University of British Columbia, Simon Fraser University, the University of Victoria and the University of Northern British Columbia: There were no graduates from Royal Roads University in 1996.

Data Reliability: It is not possible to directly compare information collected from former college students and university graduates owing to the differences between the two survey methodologies, including when former students are contacted and what questions they were asked. Both surveys were designed and are administered by representatives of British Columbia post-secondary institutions and the Ministry of Advanced Education, with data collection conducted by reputable and well established survey organizations. As a result, the data is considered by all participants to be as reliable as is possible for student outcome surveys.

	2001/02 target	2001/02 Actual	Variance
Student Outcomes: usefulness of education in performing job	Baseline	**Colleges & Institutes** 77% of students employed found their education 'very' or 'somewhat' useful in performing their job **University** 66% of graduates indicated their employer required them to have a bachelor degree to perform their main job. This suggests that the knowledge and skills students required in order to achieve their bachelor degree were useful in the performance of their job.	N/A

Goal 1, Objective — Balance the costs and benefits of post-secondary education

- **Develop a New Tuition Policy** — The Ministry works to develop a tuition policy to replace the tuition fee freeze.
- **Revise the existing funding formula** — The Ministry works to review and simplify the existing funding formula.

Performance Measure #8: Develop a new tuition policy

Reason for Measure: A new tuition policy was required to replace the tuition freeze, which had imposed hidden costs on post-secondary education. These hidden costs included reduced student accessibility and reduced course offerings at institutions.

How the results are measured: The *Miscellaneous Statutes Amendment Act* repealed the *Access to Education Act*, which had reduced tuition fees for 2001/02 by five per cent and froze them at that level. As a result of the legislation, tuition fees were deregulated retroactive to March 31, 2002.

Data Reliability: N/A

	2001/02 Target	2001/02 Actual	Variance
Develop a new tuition policy	N/A	*Access to Education Act* repealed and new policy developed where institutions set their own tuition levels	N/A

Performance Measure #9: Establishment of results-based block funding.

Reason for Measure: Block grant funding will give institutions increased autonomy and flexibility in managing their institutions and will also facilitate multi-year planning. The focus on results-based funding reflects government's emphasis on more accountability to taxpayers.

How the results are measured: Beginning in 2002/03, the provincial government operating grants for public colleges, university colleges and institutes are allocated through block funding. Universities' funding was always provided through a block grant. A new funding mechanism for public post-secondary institutions is under development and will be implemented in 2004/05.

Data Reliability: N/A

	2001/02 target	2001/02 Actual	Variance
Establishment of results-based block funding.	N/A	N/A	N/A

Goal 2 — Economic and Social Development

The Ministry will strive to ensure that the post-secondary education system is relevant and responsive to the needs of a continuously changing economy and labour market. The Ministry will focus on providing post-secondary students with the skills and knowledge required for British Columbia's workforce and economy, and to respond to any critical shortages in the labour market. Within this goal, the Ministry has identified the following three main strategic objectives:

5. Address shortages in strategic skills areas
6. Expand training and skills development
7. Expand research capabilities in the province

Link to Government Priorities

Priority 2 High health care services that meet all patients' needs where they live and when they need it.

Priority 3 A thriving private sector economy that creates high paying job opportunities

Priority 6 The fastest growing technology industry in Canada

Priority 8 Greater equity and equality for British Columbia in Canada

Linkages to Core Business:

Educational Institutions and Organizations

The Ministry provides base funding to four traditional universities and two specialized universities, five university colleges, eleven community colleges, three provincial institutes, two Aboriginal institutes and the Open Learning Agency.

Industry Training and Apprenticeship

The Ministry works to expand training opportunities in industry growth areas, particularly high technology and other knowledge industries, and to promote awareness of industry training and apprenticeships among young people.

Student Financial Assistance Programs

Student financial assistance is a comprehensive program of financial aid available to students at the post-secondary level. It combines repayable loans and non-repayable assistance in the form of grants and debt reduction measures awarded on the basis of each student's financial need. Additional assistance is provided through Special Programs (e.g., Loan Forgiveness for Doctors/Nurses, Nurses Education Bursary, and grants to students with disabilities).

Performance Measures by Objective:

Goal 2, Objective 5 — Reduce shortages in strategic skills areas

- **Increase high-technology graduates** — The Ministry works to address shortages in specific high technology fields.
- **Increase health care and social worker graduates** — The Ministry works to address specific skill shortages in health care and social work.

Performance Measure #10: Number of new computer science, electrical and computer engineering student spaces

Reason for Measure: The first target reflects new student seats added as part of the targeted high tech FTEs distributed through the annual budget allocations in April 2001. While high tech FTEs were added to a range of eligible programs, only those seats added to computer science, electrical and computer engineering programs were included for the purposes of this target. Beginning in 2002/03, this measure will be used to determine the progress toward meeting the *New Era* commitment to double the annual number of graduates in computer science, and electrical and computer engineering, within five years.

How the results are measured: In the post-secondary education sector, annual FTE reporting is the usual process for performance measure of productivity. Annual FTEs are reported by each institution to AVED via specific guidelines established by the Ministry, or, in the case of the universities, via guidelines set by The University Presidents' Council of British Columbia. In this case, participating institutions will report the net increase of spaces provided and actual number of students enrolled in computer science, and electrical and computer engineering programs in future years.

Data Reliability: Annual FTE reporting is a process audited by external organizations; therefore, this data would have a high degree of reliability.

	2001/02 target	2001/02 Actual	Variance
Number of new computer science, electrical and computer engineering student spaces			
Number of targeted high tech FTEs allocated to computer science, electrical and computer engineering student spaces (April 2001)	75	75 (Estimated)	0
New Era initiative	N/A	Developed target of 825 additional funded student spaces to be provided to institutions in 2002/03	N/A

Performance Measure #11: Number of new social/child protection worker student spaces

Reason for Measure: The first target listed below reflects new student seats added through annual budget allocations in April 2001. Beginning in 2002/03, this measure will be used to determine the progress toward meeting the *New Era* commitment to train more social workers to meet the critical skills shortage.

How the results are measured: In the post-secondary education sector, annual FTE reporting is the usual process for performance measure of productivity. Annual FTEs are reported by each institution to AVED via specific guidelines established by the Ministry or, in the case of the universities, via guidelines set by The University Presidents' Council of British Columbia. In this case, participating institutions will report the net increase of spaces provided and actual number of students enrolled in social work and child and youth care programs in each of the years 2002/03, 2003/04 and 2004/05.

Data Reliability: Annual FTE reporting is a process audited by external organizations; therefore, this data is reliable.

	2001/02 target	2001/02 Actual	Variance
Number of new social/child protection worker student spaces			
2001/02 Budget (April 2001)	35	35 *(Estimated)*	0
***New Era* initiative**	N/A	Developed target of 20 additional funded student spaces to be provided to institutions in 2002/03.	

Performance Measure #12: Number of new RN's, LPN's and RCA and other allied health student spaces (FTEs)

Reason for Measure: This measure assesses the number of new student seats added to registered nurse, licensed practical nurse; resident care attendant and other allied health professional programs. The first target reflects new student seats added through annual budget allocations in April 2001. The second target of 72 FTEs is the proportional share of spaces for fiscal year 2001/02 (January to March) of the 177 student spaces announced in August 2001. In 2002/03, these 72 spaces will be annualized to the full complement of 177 new seats.

How the results are measured: In the post-secondary education sector, annual FTE reporting is the usual process for performance measure of productivity. Annual FTEs are reported by each institution to AVED via specific guidelines established by the Ministry or, in the case of the universities, via guidelines set by The University Presidents' Council of British Columbia. In this case, participating institutions will report the net increase of spaces provided and actual number of students enrolled in registered nurse, licensed practical nurse and registered care aide programs.

Data Reliability: Annual FTE reporting is a process audited by external organizations; therefore, this data is reliable.

	2001/02 target	2001/02 Actual	Variance
Number of new RN's, LPN's and RCA and other allied health student spaces (FTEs)			
2001/02 Budget (April 2001)	615	615 *(Estimated)*	0
***New Era* initiative (August 2001)**	72	72 *(Estimated)*	0
***New Era* initiative (2002/03)**	N/A	Developed target of 653 additional funded student spaces to be provided to institutions in 2002/03	

Performance Measure #13: Number of new medical school student spaces (FTEs)

Reason for Measure: Beginning in 2002/03, this measure will be used to determine the progress toward meeting the *New Era* commitment to increase the number of medical school graduates over the next five years.

How the results are measured: In the post-secondary education sector, annual FTE reporting is the usual process for performance measure of productivity. Annual FTEs are reported by each institution to AVED via specific guidelines established by the Ministry or, in the case of the universities, via guidelines set by The University Presidents' Council of British Columbia. In this case, participating institutions will report the net increase of spaces provided and actual number of students enrolled in medical education programs.

Data Reliability: Annual FTE reporting is a process audited by external organizations; therefore, this data is reliable.

	2001/02 target	2001/02 Actual	Variance
Number of new medical school student spaces (FTEs)	8	8 *(Estimated)*	0

Performance Measure #14: New medical facilities

Reason for Measure: Beginning in 2003/04 this measure will be used to help in the implementation of the *New Era* Commitment to increase the number of medical school graduates.

How the results are measured: Participating institutions will be able to report on the increase in the actual number of students in the medical education programs. Design of individual facilities responds to planning criteria determined by student and staff FTE numbers and program requirements, and funding ability of government plus possible additional sources of funding. Budget models are utilized to ensure a standardization of performance, and measurement against similar components. Construction timeframe is a determinant of educational program scope and capacity of the designed facility, which is measured in net assignable and building gross areas. Construction completion and facility occupancy dates provide the time period in which the facility is put on the institution's inventory, and measurement of FTE utilization of space can be undertaken.

Data Reliability: Institutions require government approvals to undertake academic program facility projects in order to receive funding and to proceed to design and construction. Project cash flow and implementation is monitored during all phases to ensure satisfactory achievement of facilities on time and on budget.

	2001/02 target	2001/02 Actual	Variance
New medical facilities	N/A	Planning for facilities underway in 01/02 Construction to begin in fiscal 02/03	N/A

Goal 2, Objective 6 — Expand training and skills development

- **Increase Industry Training** — The Ministry works to increase general trades training and apprenticeships.

Performance Measure #15: Number of new training spaces

Reason for Measure: The number of new training spaces is a primary indicator of the capacity of the industry training system to ensure British Columbia meets the demand for skilled workers.

How the results are measured: ITAC measured the results by collecting individual program outputs through the Apprenticeship Information Management System (AIMS), information received by training institutions and contracted training providers for entry-level trades training, apprenticeship technical training, secondary school apprenticeship, industry training, skills upgrading, and under-represented group programs.

Data Reliability: Funded FTE numbers are used to measure entry-level trades training spaces and may not reflect actual outputs. ITAC receives audited figures from the colleges and training institutions six to eight months after fiscal year end.

	2001/02 target	2001/02 Actual	Variance
Number of new training spaces	N/A	26,771 (baseline, actual FTE's)*	N/A

Note: Includes entry-level trades training, apprenticeship technical training, secondary school apprenticeship, industry training, skills upgrading, and under-represented group program

Goal 2, Objective 7 — Expand research capabilities in the province

- **Strengthen the provincial research capacity** — The Ministry supports research and creative thinking.

Performance Measure #16: Number of leading edge chairs funded

Reason for Measure: Beginning in 2002/03, this measure will be used to determine the progress toward meeting the *New Era* commitment to establish a "Leading Edge Endowment Fund" based on cost-sharing partnerships with the private sector to establish 20 permanent BC Leadership Chairs across the province in the fields of medical, social, environmental and technological research. In this case, AVED will report annually the net increase of BC Leadership Chairs funded and actual number of BC Leadership Chairs funded until all 20 chairs have been established. In fiscal 2001/02, a $25.5 million contribution was made to the Leading Edge Endowment Fund (LEEF).

How the results are measured: The results will be measured by counting the number of leadership chairs that are established in a given fiscal year.

Data Reliability: High

	2001/02 target	2001/02 Actual	Variance
Number of BC Leadership Chairs	N/A	Targets for establishing chairs, along with an implementation plan, will be developed for 2002/03 baseline	N/A

Performance Measure #17: Funding support for research

Reason for Measure: Beginning in 2002/03, this measure will be used to determine the progress toward meeting the *New Era* commitment to increase research funding for colleges, universities and institutes in the province.

How the results are measured: The 2001/02 actual figures are derived from 1999/00 (latest year available) sponsored research income information reported to the Canadian Association of University Business Officers (CAUBO) by the University of British Columbia, Simon Fraser University, University of Victoria, University of Northern British Columbia, Royal Roads University, Okanagan University College and University College of the Cariboo. The University College of the Fraser Valley and the Open Learning Agency also report to CAUBO, but did not report any sponsored research income in 1999/00; Trinity Western University also reports to CAUBO but its figures are not included here as it is not an institution in the public post-secondary education system.

Data Reliability: Financial information reported to CAUBO is drawn from audited financial statements and would therefore have a high degree of data reliability.

	2001/02 target	2001/02 Actual	Variance
Funding support for research	N/A	Federal Govt — $117 million Provincial Govt — $27 million Business sources — $43 million Other sources — $42 million **Total — $229 million**	N/A

The Provincial Government category is comprised as follows:[1]

British Columbia Knowledge Development Fund (BCKDF)	2,747,000
Ministry of Health (now Ministries of Health Planning and Health Services)[2]	7,264,000
Ministry of Forests/FRBC	2,704,000
Other Provincial Ministries	2,645,000
Science Council of BC	5,172,000
BC Health Research Foundation	2,439,000
Other/Not specified	3,745,000
TOTAL	26,716,000

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[1] Data from Statistics Canada and the Canadian Association of University Business Offices based on university self-reporting.

[2] Research funding formerly provided by the Ministry of Health now provided by Ministries of Health Services and Health Planning.

Goal 3 — Responsive and Effective Management

In order to achieve the goal of responsive and effective management of the post-secondary system, the Ministry must ensure accountability, effective use of resources and long-term stability of the entire post-secondary education system. An integral step to achieving this goal is to provide students with financial assistance services, and provide leadership to the post-secondary education system. Within this goal, the Ministry has identified the following two strategic objectives:

8. Improve Ministry business practices
9. Develop a post-secondary education accountability framework

Link to Government Priorities

Priority 9 — The most open, accountable and democratic government in Canada.

Priority 10 — Responsible, accountable management of public resources and tax dollars

Linkages to Core Business:

Student Financial Assistance Programs

Student financial assistance is a comprehensive program of financial aid available to students at the post-secondary level. It combines repayable loans and non-repayable assistance in the form of grants and debt reduction measures awarded on the basis of each student's financial need. Additional assistance is provided through Special Programs (e.g. Loan Forgiveness for Doctors/Nurses, Nurses Education Bursary, and grants to students with disabilities).

Program Management

The Ministry provides leadership and direction, establishes policy and accountability, and provides funding to the system.

Performance Measures by Objective:

Goal 3, Objective 8 — Improve ministry business practices

- **Management of student financial assistance** — The Ministry ensures the Student Financial Assistance program is delivered efficiently.
- **Ministry reorganization** — The Ministry realigns itself to focus on core business and deliver *New Era* commitments.
- **Reduction in red tape** — The Ministry works to achieve the government's objective of reducing red tape by one-third.

Performance Measure #18: Student aid application turnaround time

Reason for Measure: This performance measure indicates the average number of days to process an application for student aid from date of receipt to date of first successful assessment. The measure indicates the efficiency of the client service provided by the Ministry.

How the results are measured: The average is determined using data from end-user reports from the Student Services Branch of the Post Secondary Education Division. Data can be generated at any time for the period up to the end of the previous week.

The turnaround time average covers all applications received during the fiscal year and includes those without errors (processed quickly) and those with errors (longer processing time). The measure does not differentiate between peak periods for receiving applications and quieter periods of the school year.

Data Reliability: The data warehouse was renovated and tested extensively during the fiscal year. The data for this measure is cleaner and more accurate (reflected in the actual performance for this year). Data for previous years is now available.

	2001/02 target	2001/02 Actual	Variance
Student aid application turnaround time	17 days	17 days	0

Explanation of Variance: The target for this year was achieved. This measure was also contained in the 2001/04 performance plan. The average turnaround time in 2000/01 was 19 days, and the target was to decrease to 12 days for 2003/04.

Performance Measure #19: Ministry program management budget as a percentage of overall Ministry budget

Reason for Measure: This performance measure compares Program Management to the overall spending for the Ministry. The measure provides an indication of the efficiency in administering Ministry programs.

How the results are measured: The results are measured by comparing the total program management costs by the total operating costs for the Ministry.

Data Reliability: The source of the budget (Target) information is from the 2001/02 Estimates. The source of the expenditure (Actual) information is from the 2001/02 Public Accounts.

	2001/02 target	2001/02 Actual	Variance
Ministry program management budget as a percentage of overall Ministry budget	1.14% (not in Service Plan)	1.14 % (baseline)	None

Explanation of Variance: Anticipated outcomes matched the actual results.

Performance Measure #20: Regulatory requirements eliminated

Reason for Measure: The Ministry has committed to contribute towards government's goal of reducing red tape by one-third, but year-to-year reduction targets are not specifically identified in the Ministry's Service Plan. The Ministry is currently operating in Year 1 of its Three-Year Regulatory Reduction Plan. Amendments introduced in the Spring 2002 legislative session, once implemented, will ensure the Ministry contributes towards the government-wide goal of reducing regulatory requirements by one third by fiscal 2004/05.

How the results are measured: The results will be measured by the actual number of regulations eliminated in the ministry.

Data Reliability: N/A

	2001/02 target	2001/02 Actual	Variance
Regulatory requirements eliminated	N/A	Review of Ministry red-tape requirements conducted and recommendations for reduction forwarded to Cabinet.	N/A

Goal 3, Objective 9 — Develop a post-secondary education accountability framework

- **Formalizing a new accountability framework** — The Ministry works to develop a new results-based performance management system.

Performance Measure #21: Establishment of accountability framework

Reason for Measure: The government has introduced a new approach by which the Ministry will manage its responsibilities for the post-secondary education system. Central to this approach is the enhancement of quality through increased institutional autonomy and accountability for results. The accountability framework will articulate what institutions are being held accountable for, how success will be measured and what reporting is required.

How the results are measured: The framework will be developed and announced in 2002/03. Completion of the framework will conclude this measure.

Data reliability: N/A

	2001/02 target	2001/02 Actual	Variance
Establishment of accountability framework	N/A	Development of framework underway	N/A

2001/02 Resource Summary — Ministry of Advanced Education

	Estimates	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Minister's Office	468	0	468	334	134
Program Management	21,197	1,400	22,597	21,694	902[1]
Educational Institutions and Organizations (EIO)	1,381,886	42,000	1,423,886	1,426,683	(2,797)[2,3]
Grants in Lieu of Property Taxes	700	0	700	517	183
Industry Training and Apprenticeship Commission	86,341	0	86,341	82,452	3,889[4]
Student Financial Assistance Programs (SFA)	153,990	0	153,990	168,056	(14,066)[5]
Debt Service Costs	142,300	0	142,300	131,048	11,252[6]
Amortization of Prepaid Capital Advances	93,700	0	93,700	93,700	0
Youth Programs	13,477	0	13,477	12,973	504
Total	**1,894,059**	**43,400**	**1,937,459**	**1,937,459**	**0**
Full-time Equivalents (FTEs)					
Total	359	0	359	333	26
Ministry Capital (Expenditures) ($000)					
Information Systems	3,413	0	3,413	2,094	1,319
Other	393	0	393	23	370
Total	3,806	0	3,806	2,117	1,689
Consolidated Capital Plan Expenditures ($000)					
Prepaid Capital Advances — Universities, Colleges and Institutes	123,000	0	123,000	77,739	45,261[7]
Total	123,000	0	123,000	77,739	45,261
Other Financing Transactions (Net Disbursements) ($000)					
BC Student Loan Program (Net of Recoveries) (BCSL)	113,000	0	113,000	84,848	28,152[8]
Total	113,000	0	113,000	84,848	28,152

[1] The Ministry incurred restructuring costs of $3.6 million as a result of the government's restructuring plan. This was funded in part from government contingencies ($1.4 million).

[2] EIO — $2.8 million over budget due to payments of $25.5 million to an endowment fund which will match private sector contributions to establish Leading Edge Chairs at BC universities in the areas of medical, social, environmental and technological research.

[3] TechBC Lease Buy Out ($42 million) — cost of settlement with ICBC to release TechBC and government of the lease obligation in the Central City development in Surrey, due to the wind down of the university. Funded by Government Contingencies.

[4] Industry Training and Apprenticeship — $3.9 million savings due to slowdown in spending as a result of restructuring of the program.

[5] SFA - BC Grants was $20.8 million higher than budget due to higher than anticipated demand for this program. This was offset by savings of $6.5 million in interest costs associated with the BCSL program.

[6] Debt service savings resulted primarily from lower interest rates.

[7] Prepaid Capital Advances — Consolidated capital plan expenditures was $45 million lower due to 12 projects being deferred to accommodate *New Era* commitments.

[8] BCSL was $28 million lower due to lower than anticipated demand for the program.

Link Between Expenditures, and Core Business Objectives and Ministry Goals:

Ministry Core Business	Ministry Goals	Expenditures ($000), Actual
Educational Institutions and Organizations	• A Top-Notch Post-Secondary System • Economic and Social Development	$1,426,683
Industry Training and Apprenticeship	• Economic and Social Development	$82,452
Student Financial Assistance	• Economic and Social Development • Responsive and Effective Management	$168,056
Debt Service Costs and Amortization of Prepaid Capital Advances	• A Top-Notch Post-Secondary System	$224,748
Program Management	• Responsive and Effective Management	$21,694

Appendix A

List of Legislation Administered by the Ministry of Advanced Education

Access to Education

Accountants (Certified General)

Accountants (Chartered)

Accountants (Management)

Applied Science Technologists and Technicians

Architects

Architects (Landscape)

College and Institute

Engineers and Geoscientists

Industry Training and Apprenticeship

Institute of Technology

Music Teachers (Registered)

Open Learning Agency

Private Post-Secondary Education

Public Education Flexibility and Choice Act

Royal Roads University

Technical University of British Columbia

Trinity Western University Foundation

University

University Foundations

University of Northern British Columbia

Workers Compensation (s. 3 (6))

Appendix B

Glossary of Performance Planning and Reporting Terms

Annual Report — *A New Era Update*	A ministry document for fiscal year 2001/02. Although the BTAA as amended takes effect for the 2002/03 fiscal year, and does not technically apply to reports for 2001/02, the intention is that the report should resemble future reports under the BTAA to the extent that is appropriate and practicable in the current circumstance of change of government and extensive reorganization.
Annual Service Plan Report:	A ministry document required by the amended *Budget Transparency and Accountability Act* (BTAA) from fiscal year 2002/03 onwards. This report may contain information normally found in a traditional annual report, with the additional requirement that a ministry's performance in meeting its service goals and targets is emphasized in the document. The document must link directly back to the ministry's corresponding service plan. In addition the document must contain a signed statement from the responsible minister to the effect that the minister is accountable for the actual results reported.
Core Business area:	A set of key activities or programs or budget areas related to the purpose, role and mandate of the ministry. Most ministries will have three-to-six core business or program areas.
Efficiency measure:	Measuring the relationship between the amount of input (usually dollars or employee time) and the amount of service output or outcome of an activity or program.
Full-time equivalent	(FTE): The equivalent of one person working 1,827 hours in one year; includes employees whose salaries are paid directly from the Consolidated Revenue Fund. In the case of students an FTE is the equivalent of one person taking the full annual course load.
Goal:	Goals are the long-term ends that the ministry (or a business or program area) wants to achieve in fulfilling its mandate and mission. Goals must be realistic and achievable.
Input measure:	A measure of the amount of resources (dollars and FTEs) used to undertake a function.
Mission:	The reason for the ministry's existence. The statement identifies what the ministry does, why it does it, and for whom. It also reminds the public and other government entities of the unique purposes promoted and served by the ministry. The ministry's goals, objectives and strategies must be consistent with its mission statement.
Objectives:	Objectives are concise, realistic, results-oriented statements of what service results a ministry or core service area achieves in the short term on the way to accomplishing its goals. Objectives must be stated in a way that clearly communicates what is to be achieved and measured or assessed, and when.

Outcome measure:	Measuring the results and consequences or changes in conditions, behaviours or attitudes that indicate progress in achieving a program's or ministry's mission and goals. Outcomes may be immediate, ultimate, or somewhere in between.
Output measure:	A measure of the level of service provided by a program (i.e., what and how much came out of a program or service). The measurable unit can be a number, percentage or ratio.
Performance measure:	A performance measure (sometimes referred to as an indicator) can be used to measure/indicate the degree of success a ministry has in achieving its goals and objectives. When a measure has a specific numeric value attached to one aspect of the performance under consideration, it is then typically referred to as a performance indicator.
Performance Plan:	See Service Plan *Note: The amended BTAA (August 2001) adopts the term "Service Plan" to replace the previously used term, "Performance Plan".*
Performance target:	Targets express pre-set, quantifiable performance levels to be attained at a future date.
Planning context:	Summary information for critical thinking about, deciding on, and preparing a future course of action. A planning context assesses the ministry's internal strengths, weaknesses, challenges and opportunities. The context examines factors within the ministry that can positively or negatively affect its ability to accomplish its mission, goals and objectives. The planning context also assesses external forces that significantly affect the ministry.
Program:	A set of activities with clearly defined, dedicated resources and common measurable objectives that are coherent and consistent.
Result:	A consequence, issue or outcome of an action or series of actions. Often used synonymously with "outcome" and/or "output."
Service plan:	A plan that describes a ministry's purpose or mission, its direction or vision, its goals and objectives, the operational strategies and resources it intends to use to achieve those objectives, and how it will know if it has been successful (i.e., through the use of performance measures and targets).
Strategic context:	The strategic context of a service plan provides high-level information that describes where a ministry is now. It usually includes a ministry's vision, mission, values and planning context.
Strategic plan:	The high-level, government-wide corporate document that outlines the government's vision, mission, values and key priorities for the medium to long term.

Strategies:	Strategies are the actions that describe how objectives are to be achieved. Other terms used to describe strategies are programs, projects, initiatives and activities, among others.
Values:	The value statement expresses a ministry's core values or fundamental beliefs. Values define the ministry's management style, organizational values, and code of conduct for personal and organizational behaviour.
Vision:	A clear and compelling picture of a ministry's preferred future; where the ministry is going, and where it wants to be. This vision must be sufficiently desirable and challenging to motivate and inspire ministry employees and influence decision-making.

Ministry of
Agriculture, Food
and Fisheries

2001/02 Annual Report

A New Era Update

BRITISH
COLUMBIA

**Ministry of
Agriculture, Food
and Fisheries**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Agriculture, Food and Fisheries.
Agriculture and food ... annual performance report. — 2001/02 -

Annual.
Continues: British Columbia. Ministry of Agriculture, Food and Fisheries. Agriculture and food ... annual report. ISSN 1492-6571.
Ministry of Agriculture, Food and Fisheries

ISSN 1496-9920 = Agriculture and food ... annual performance report

1. British Columbia. Ministry of Agriculture, Food and Fisheries - Periodicals. 2. Agriculture and state - British Columbia - Periodicals. 3. Food industry and trade – Government policy – British Columbia – Periodicals. I. Title. II. Title: Ministry of Agriculture, Food and Fisheries Annual Report.

HE215.Z7B74 354.77'09711'05 C2002-960010-3

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Published by the Ministry of Agriculture, Food and Fisheries
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Minister's Accountability Statement

The 2001/02 Ministry of Agriculture, Food and Fisheries Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001.

This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

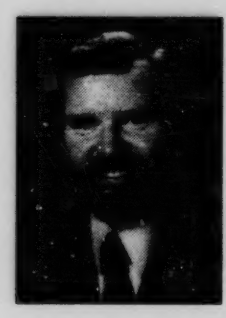
John van Dongen

John van Dongen
Minister of Agriculture, Food and Fisheries

June 24, 2002

BRITISH
COLUMBIA

Ministry of Agriculture, Food and Fisheries



The Ministry of Agriculture, Food and Fisheries has a long history of serving this province and its work is as diverse and unique as the industries it represents.

B.C.'s agri-food and fisheries sector makes a very significant contribution to our provincial economy. The entire food chain employs about 270,000 British Columbians and the agri-food and seafood sectors generate billions of dollars in domestic and export sales.

This past year has been one of much change as we worked to restructure the ministry and change the way we serve our clients. We have developed a three-year plan that lays out a detailed strategy for government's role in working together with the agriculture, food and fisheries industries.

The plan is part of government's commitment to open and accountable government as it articulates our vision for a competitive and profitable industry providing safe, high-quality food for consumers and export markets.

The government and ministry's role is to create an environment that will help the industry to become more self-reliant. The ministry will become the champion for agriculture, food and fisheries with other government agencies and focus on work that solves problems and is meaningful to the industry.

We intend to find a true balance between economic development and environmental sustainability. We will act boldly to help British Columbia's agri-food and fisheries industries to grow in a manner that is economically viable, environmentally sustainable and socially acceptable.

I look forward to the challenges and opportunities that await us as we work to further B.C.'s agri-food and fisheries industry.

John van Dongen

John van Dongen
Minister

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Year-at-a-Glance Highlights

This section highlights some of the ministry's key achievements for the 2001/02 fiscal year.

While the past year was one of significant restructuring for the ministry, the ministry did record significant achievements in both the agriculture and fisheries sectors.

Key Ministry Achievements 2001/02

Project	Achievement
Food Safety and Quality	
Foreign Animal Disease Project	• Developed a Memorandum of Understanding with the Canadian Food Inspection Agency and other agencies outlining respective roles in the case of a foreign animal disease outbreak in B.C. • By enabling a coordinated and rapid response to and the containment of a foreign animal disease, economic losses and market sanctions against B.C. and Canadian agri-food products can be minimized
Environmental Sustainability	
Bird Control (Noise Devices Report)	• Established a proactive government response requiring industry to work cooperatively with local government on the use of audible bird scare devices to minimize economic loss due to damage from birds while addressing noise impact on nearby residents
Delta Agriculture	• Delta mediation team's report established the basis for agriculture planning issues in Delta • Report provides solutions on how greenhouse farming in Delta can be balanced with other local interests
Fisheries and Aquaculture Management	
Fisheries Renewal B.C.	• Wound down operations on March 31, 2002 • The ministry continues to manage program commitments that extend into the 2002/03 fiscal year
Compliance and Enforcement Service Agreement	• Established a service agreement with Land and Water B.C. and the Ministries of Water, Land and Air Protection and Sustainable Resource Management to coordinate activities related to inspections, compliance and enforcement
Federal-Provincial Harmonization Initiative	• A federal-provincial steering committee was established to identify opportunities for streamlining application and approval processes for finfish aquaculture
Escape Management	• New escape management regulations developed
Re-Siting of Poorly Located Salmon Farms	• 36 salmon farms have been identified for relocation and seven have been approved
Baynes Sound Action Plan	• Working with the Shellfish Growers' Association on an environmental code of practice that will be a condition of licence • Working with the Ministry of Sustainable Resource Management and Land and Water B.C. to develop and implement shellfish development plans
Moratorium Decision	• New environmental standards and practices are being developed for the managed expansion of salmon aquaculture

Research and Development	• Initiated development of an aquaculture research chair at the University of British Columbia • As member of the Science Council of B.C.'s Aquaculture Research and Development Committee, identified priority research topics for aquaculture and the environment
Risk Management	
Canada-B.C. Assistance Program	• Successfully secured access to federal funding for B.C. producers • A total of $24.4 million in federal funds was distributed to commodity sectors to address income shortfalls in 2000 • This funding enabled individuals in these sectors to avoid foreclosure and provided valuable operating funds that allowed them to continue their farm operations
Agricultural Policy Framework	• Secured agreement in principle to establish an integrated agri-food policy framework for the 21st century that will result in Canada being the world leader in food safety with environmentally responsible production systems
Industry Competitiveness	
InfoBasket	• Established an electronic-based platform to enable B.C. producers to access current and relevant business information related to production, distribution, marketing and regulation of five industry sectors — organics, ornamentals, specialty crops, agroforestry and micro-food processors • InfoBasket received the 2001 Public Sector Technology Award in the electronic service delivery category recognizing leadership, innovation and excellence in the management and use of information technology by the ministry
Buy B.C./B.C. Sharing	• Government withdrew funding for the Buy B.C. program in July 2001 and called upon industry to lead the program • The ministry has entered into negotiations with two private sector groups to take over responsibility for the Buy B.C. and B.C. Sharing programs • Licencing agreements with the two organizations are being finalized
Natural Gas Energy Cost Management in Greenhouse and Floriculture Sectors	• As a result of high natural gas costs experienced throughout the winter of 2000/01, many greenhouse vegetable and floriculture operations faced significant increases in the cost of natural gas or were not able to secure a supply of natural gas • Helped industry use and understand the energy brokering process to establish a natural gas purchasing pool for greenhouse growers • 36 growers in the pool secured most of their winter natural gas requirements at 30 per cent below their previous price
Tomato Trade Action	• In October 2001, U.S. greenhouse tomato growers filed a complaint that Canadian growers were dumping tomatoes into the U.S. resulting in tariffs of 50.75 per cent being imposed on B.C. tomatoes • This put the province's $100 million greenhouse vegetable industry in severe jeopardy • The ministry pressed for restoration of free trade by seeking federal and U.S. government actions to promote a negotiated settlement to the tomato dispute • Canadian tomato production was not found to be causing economic injury to the U.S. tomato industry so the U.S. anti-dumping duties were removed and previously collected monies were refunded
Corporate Services	
Human Resources	• In light of the significant transition to the ministry's new mandate and core business areas, a change management process was implemented to help ministry staff adjust to the changes

Ministry Role and Services

Vision

A competitive and profitable industry providing safe, high quality food for consumers and export markets.

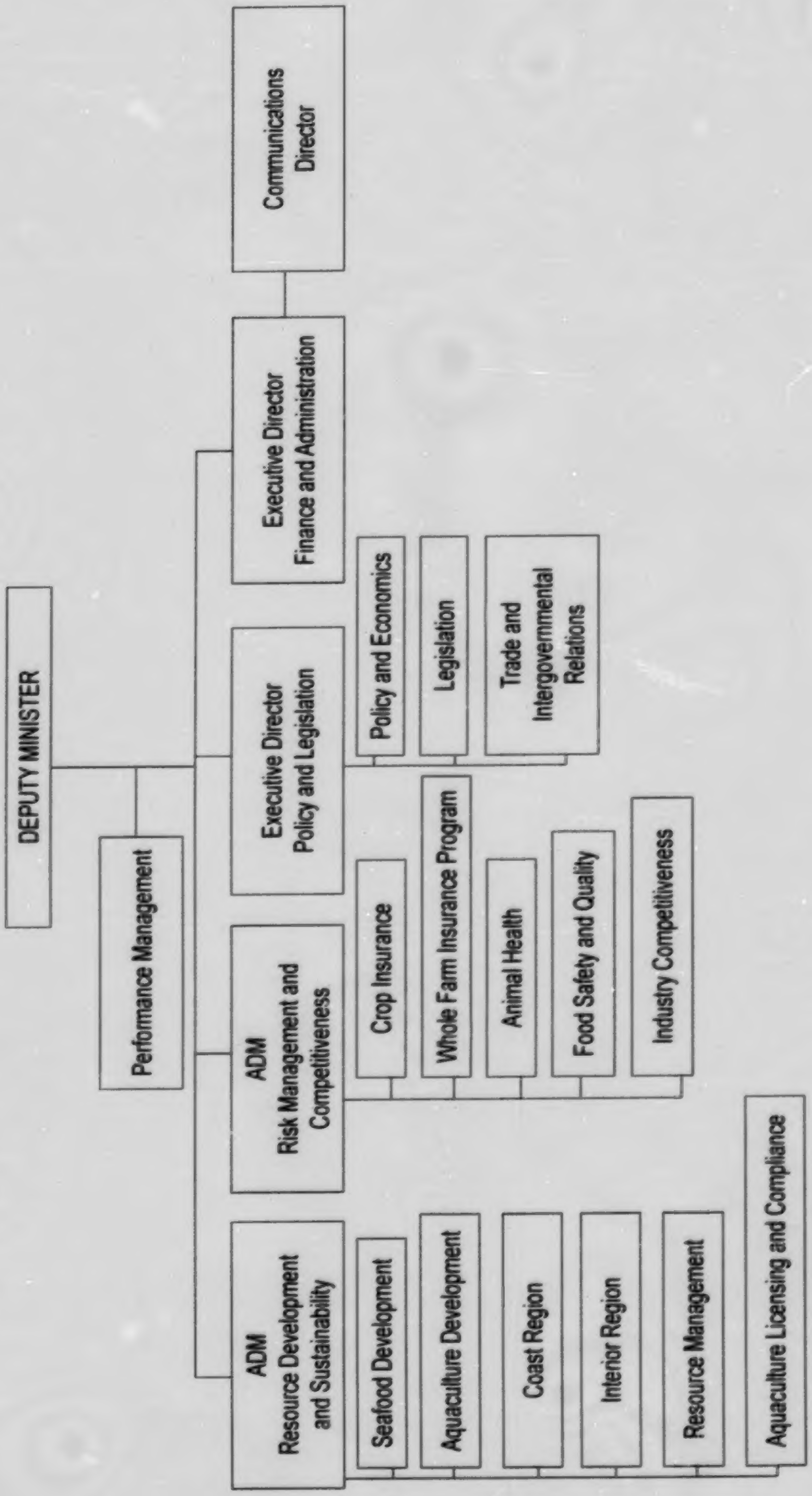
Mission

Provide the business climate for a competitive and profitable agri-food and fisheries sector and to safeguard the quality of British Columbia's agri-food products for consumers.

Values

The Ministry strives to conduct its business in a way that is:

- ***Fair & Equitable*** — by building and maintaining among ministry personnel an effective spirit of teamwork and cooperation based on trust, integrity, flexibility, innovation, social equity, and equality of opportunity
- ***Responsible and Accountable*** — by emphasizing responsible use of government resources and transparency in accounting for the use of those resources
- ***Service-oriented*** — by responding to the needs of the public, agriculture and fisheries sector groups, communities and staff in a timely and courteous manner
- ***Partnership-Building*** — by promoting teamwork, good working relationships, and effective partnerships with, and co-operation among, all orders of government, First Nations, agriculture and fisheries sector groups and communities


DEPUTY MINISTER
Performance Management
ADM
Resource Development
and Sustainability
Seafood Development
Aquaculture Development
Coast Region
Interior Region
Resource Management
Aquaculture Licensing and Compliance
ADM
Risk Management and
Competitiveness
Crop Insurance
Whole Farm Insurance Program
Animal Health
Food Safety and Quality
Industry Competitiveness
Executive Director
Policy and Legislation
Policy and Economics
Legislation
Trade and
Intergovernmental
Relations
Executive Director
Finance and Administration
Communications
Director

Ministry Overview

The 2001/02 fiscal year has been one of significant change for the Ministry of Agriculture, Food and Fisheries. The operational strategy of the ministry has fundamentally shifted as a result of the Core Services Review.

The Core Services Review sought to identify and confirm government's core roles and responsibilities to ensure government is modern, relevant and affordable. It included a comprehensive and rigorous examination of provincial programs, activities and business units.

The results of the Core Services Review are outlined in the ministry's three-year service plan. In the plan, the ministry identified six core functions around which all ministry programs and services are categorized. The core functions are food safety and quality; environmental sustainability and resource development; fisheries and aquaculture management, risk management; industry competitiveness; and corporate services. Each of these core functions is discussed in detail later in this section.

The ministry is working to provide the business climate for a competitive and profitable industry providing safe, high quality food for consumers and export markets.

This new role is achieved by:

- committing resources to five key projects outlined to the minister in a letter from the Premier that specifically address the government's "*new era*" commitments;
- focusing on significant initiatives in each of the ministry's core business areas;
- helping industry groups develop greater self-reliance by:
  - developing their own vision for their futures,
  - identifying key barriers to achieving that vision, and
  - identifying government's role in helping industry overcome those barriers.

Planning Context

The Ministry of Agriculture, Food and Fisheries was established in 1894. It is one of the province's oldest ministries. Over the last century, the ministry and the industries it serves have fundamentally changed.

British Columbia now produces more than 200 commodities under a wide range of conditions and makes a significant contribution to the provincial economy. Today, primary sales from agriculture exceed $2 billion, and the value of fish landings and marine recreational fisheries contribute another $1 billion.

The province's food processing sector is the fourth largest in Canada, with sales approaching $5 billion.

The industry's exports and sales to other provinces have grown significantly over the last five years. Exports and sales to other provinces of fish and agri-food products are $3.6 billion.

The agri-food and fisheries sector is a major job creator — employing nearly 30,000 people at the farm level, nearly 5,000 in fishing, 3,200 in marine recreational facilities, and almost 24,000 in food processing. Throughout the food system, the total number of jobs is 267,800.

Agri-Food

British Columbia's agri-food industry remains among the most diverse agriculture industries in Canada but continues to face major challenges:

- the trend toward market globalization and rationalization
- greater competition to meet changing consumer preferences
- mounting pressure along the urban/rural interface
- increased requirements for environmental stewardship
- consumer concerns about food safety and food quality.

The British Columbia agri-food sector met the challenge of free trade with the United States and adjusted to the opportunities and challenges of a North American market. It has built on its competitive strengths including climatic conditions, geographic position, technology and the tastes of a diverse population to take advantage of new export opportunities. Exports of agri-food products have doubled since 1994.

B.C.'s agri-food industry faces new challenges as consumers are seeking greater assurances about the safety and quality of their food. Producers need to find ways to remain competitive while they produce safe, healthy and wholesome food in an environmentally responsible manner.

The ministry continues to work with industry to help reconcile differences with its non-farm neighbours. The ministry has focussed a lot of its work on preventing and resolving farm practice disputes at the rural-urban edge and will continue to work to try to balance the needs of agriculture and others in the community.

Emerging areas such as agri-tourism, nutraceuticals, direct marketing, and possibly some bio-products show potential to achieve rapid growth. Other sectors such as greenhouse vegetables, floriculture crops, nursery products, mushrooms, and berries grew relatively quickly during the last several years, and are facing challenges that will potentially restrict their future growth.

British Columbia's farm income showed solid gains in 2001, continuing a trend of double-digit gains since 1997. Farmers' cash receipts rose to a record $2.2 billion, and cash income rose to an estimated $573 million, up 14 per cent from 2000 and 46 per cent above the previous five year average.

Fisheries and Aquaculture

The fisheries and seafood industry has four principal components: wild commercial fisheries, recreational fisheries — both inland and tidal — aquaculture, and seafood processing. In 1999, the sector contributed more than $1.7 billion in revenues to the provincial economy. This is double the 1984 revenue of $958 million.

The fisheries and aquaculture sector includes sport fishing with a total GDP of $214 million in 1999, fish processing ($101 million), the commercial fishery ($119 million) and aquaculture ($94 million) for a combined contribution of $529 million to the provincial GDP. Much of the economic activity within the fisheries sector occurs in rural communities. The inland sport fish component is spread throughout the rural interior while the rest of the activity occurs in rural communities up and down the coast.

British Columbia's fisheries and aquaculture sectors continue to face significant challenges and opportunities for development and diversification and for resource management. World seafood markets have become increasingly competitive, and heightened public awareness of environmental and conservation issues is leading to shifts in purchasing behaviour.

Fisheries and aquaculture play an important role in many of the province's regional economies. Industry, communities and stakeholders will play a pivotal role in fostering viable, sustainable, self-sufficient fisheries and aquaculture sectors that provide certainty, stability and economic growth for individuals and communities that rely on fisheries and aquaculture. The sector faces four main challenges:

- Global markets dictate prices and demand for B.C. fisheries and aquaculture products
- Competition with other world suppliers is considerable and matching the development of seafood products with consumer preferences can be difficult
- There are extreme fluctuations in species abundance and in the availability of species because of environmental changes (e.g. climate and habitat changes)
- Increased consumer interest in environmental and conservation issues are driving market changes.

Consistency with Government Strategic Plan

The Ministry of Agriculture, Food and Fisheries Service Plan is directly aligned with the government's long term strategic plan. The ministry's mission focuses on developing a competitive, environmentally sustainable sector. The ministry will accomplish its mission through a combination of strategic deregulation and initiatives that sustain growth of the agri-food and fisheries sector. These initiatives include the development of sound environmental and food safety systems.

Priority Projects

In a letter of June 25, 2001, the Premier identified five key priority projects for the minister related to achieving the *New Era* Commitments. The priority projects are:

- develop a strategic plan to renew the fisheries industry,
- examine ways to improve the financial viability of the aquaculture sector,
- examine the potential for growth of the aquaculture sector in a manner that minimizes environmental impacts,
- review regulated marketing in the agriculture sector and to make recommendations.
- participate actively in supporting the success of the Ministry of Sustainable Resource Management,

The *New Era* commitment for the ministry is:

- with the Minister of State for Intergovernmental relations to negotiate with Ottawa for provincial control over the management and revenues of B.C. offshore fisheries to improve fisheries and protect jobs.

Strategic Shifts

In order to accomplish its mission, the ministry outlined seven strategic shifts in focus affecting its activities over the next three years.

From	To
• Significant government involvement in industry development programming (research and market development)	• Government working with industry to manage and fund its own development
• Minimum programs to protect the safety of our food, fish, animal and plant production base	• Regulations that focus on what is required, not how to do it, and a government monitoring and audit (oversight) role in food safety to reflect higher consumer expectations, and higher risk resulting from global trade and travel
• Prescriptive approaches to sustainable development and protection of the environment	• Regulations that focus on what is required, not how to do it, to improve farming practices, sustainable development and environmental protection
• Minimal influence over management of fisheries resource	• Increased management of, and greater value from, our fisheries resources
• Government funds major costs of risk management programs	• Lower public cost and increased use of private sector risk management tools
• Government subsidies to business, including direct grant programs to businesses and organizations	• Eliminate all subsidies to business, including direct grant programs to businesses and organizations
• Direct technical advisory services to agri-food sectors	• Partner with industry to deliver technical information via the internet, and then privatize

Core Business Areas

The ministry's service plan outlines six core business areas for ministry responsibilities. They are:

1. ***Food safety and quality*** *(including animal, plant and fish health)* — toward development of on-farm food safety plans, performance-based regulation and the sustained work of diagnostic laboratories
2. ***Environmental sustainability and resource development*** — toward development of environmental farm plans, and local government by laws that are supportive of agriculture
3. ***Fisheries and Aquaculture Management*** — toward sustainable production practices, more B.C. control and industry development
4. ***Risk management*** — toward basic protection to farmers from uncontrollable market and weather-related risks
5. ***Industry competitiveness*** — an advocacy role for the ministry to ensure farm and fishery interests are considered in government-wide programming, services and regulation: industry-led and funded research and market development
6. ***Corporate Services*** — achieving a fair share of federal support funding, effective policy development and human resource and financial management

Update on *New Era* Commitments

In a June 25, 2001 letter, the Premier presented the Minister of Agriculture, Food and Fisheries with six key priority projects.

Priority Project	Action	Progress to Date
Develop a strategic plan to renew the fisheries industry	Review fisheries and aquaculture governance and service delivery Build a common vision and strategy for industry development	The B.C Seafood Alliance and the ministry organized the "Seafood Summit" conference to develop a future vision for the seafood sector The resulting "Vision for a Modern Seafood Industry" provides recommendations to government and industry
Examine ways to improve the financial viability of aquaculture	Improve access to growing sites, particularly in the north and central coast, by streamlining approval processes, standards and the application package for aquaculture at the provincial and local levels	Shellfish Aquaculture: • Expanded existing shellfish aquaculture tenures by 210 hectares • Approved new shellfish aquaculture tenures for 268 hectares • Approved new shellfish aquaculture tenures for First Nation tenures • Established a number of map reserves for future First Nations development Agreement reached with Fisheries and Oceans Canada on the harvest and sale of additional clam species (savory clams) off shellfish tenures allowing growers to increase their harvest value Working with Fisheries and Oceans Canada to harmonize and streamline the application and approval process

Examine the potential for growth of the aquaculture sector in a manner that minimizes environmental impacts	Expand salmon aquaculture in an environmentally sustainable way by addressing outstanding issues such as: • waste and escape management (impact of waste, performance-based standards, escape regulations) • fish health, farm siting, closed containment and other green technologies	36 salmon farms have been identified for relocation and seven have been approved Draft waste management regulations have been developed New escape management regulations have been developed
	Obtain authority for, and develop new species for aquaculture	Obtain approval for new species development for finfish aquaculture Fish health guidelines and a new database have been developed to provide annual reporting A fish health audit and surveillance program is underway
	Streamline compliance and enforcement for aquaculture at the federal and provincial levels by: • developing inter-agency service agreements to attain one-window compliance and reporting • implementing compliance and enforcement action plans for shellfish management	With the Ministry of Water, Land and Air Protection, established a service agreement on compliance and enforcement
	Build and maintain co-operative partnerships to address management and research and development issues by: • identifying key priorities to address constraints • establishing industry-funded research and development mechanism Aquaculture research and development	The ministry supported initiatives to coordinate, support and conduct aquaculture research and development. These projects include: • Establishment of a B.C. Aquaculture Research and Development Committee comprising representatives from industry, the federal and provincial governments and academia • A research chair in aquaculture and the environment was funded at the University of British Columbia • In cooperation with the B.C. Shellfish Growers Association, a Centre for Shellfish Research was established at Malaspina University College
To review regulated marketing in the agriculture sector and make recommendations	Review historic objectives and measures of success	Initiated a review of regulated marketing in B.C. to study the historic objectives of the regulated system and to determine whether the system has met its objectives
	Assess governance of regulated marketing boards	Contractors hired to review trade and market implications and governance issues in the regulated marketing system and to make recommendations
	Make an integrated assessment of marketing board policy and key issues affecting industry competitiveness	Review is expected to be completed in June 2002

Participate actively in supporting the success of the Ministry of Sustainable Resource Management	Support the Ministry of Sustainable Resource Management and Land and Water B.C. in developing and implementing shellfish development plans	Cooperation on the Baynes Sound action plan for shellfish aquaculture
	Establish a service agreement with the Ministry of Sustainable Resource Management to coordinate activities related to aquaculture siting, resource planning and economic development	An agreement for single window delivery of aquaculture tenuring and licencing Supported development of a sustainability model to balance economic development with environmental protection
	Support the core review of the Land Reserve Commission	Support the Ministry of Sustainable Resource Management in developing a Crown land agriculture sector strategy
With the Minister of State for Intergovernmental Relations, negotiate for provincial control over management and revenues of B.C. offshore fisheries to improve fisheries and protect jobs	Work with the federal government on strategies to renew the fishery and expand aquaculture	The ministry supported the federal government's decision to release the entire reserve catch of 15,800 tonnes of Pacific hake to shore-based processors This means that more than 500 direct jobs at six B.C. shore-based hake processing operations were protected Working with the B.C. Tuna Fishermen's Association to establish a foundation to support research, development and policy issues related to industry development and diversification Began work with B.C. Seafood Alliance to improve the province's seafood sector
	Represent and incorporate provincial interests in federal fisheries and aquaculture management decision-making processes at tables such as the Canadian Council of Fisheries and Aquaculture Ministers Issues include: hake, in-shore rockfish and groundfish	Continued to work with federal government on a number of fisheries management areas in B.C., including: • responding to the Institute for Dispute Resolution's report on improved decision making • the Inshore Rockfish Conservation Initiative • the Groundfish Trawl Management Review • the Hake Policy Review • appointing a provincial representative to the Pacific Salmon Commission • bilateral negotiations with the U.S. over the reciprocal access agreement for Albacore tuna

Performance Reporting

The 2001/02 fiscal year has been one of transition. The ministry has undergone substantial changes to align itself with its new mission. Results from the ministry's strategic shift will show up most significantly in 2002 and beyond. Outlined below are accomplishments that reflect progress to date.

The ministry has developed key performance indicators to track progress on each of its strategic shifts. These indicators are outlined below along with statements showing progress to date. In addition, contributions of key individual ministry programs to date are described in detail later in this section.

Summary of Performance Measures

Strategic Shift From	To	Key Performance Indicators	Progress to Date
• Significant government involvement in industry development programming (research and market development)	• Government assisting industry to manage and fund its own development	• Per cent of agriculture and fishery production covered by self-financing organizations	• 35 per cent of industry organizations are currently covered by self-financing organizations
• Minimum programs to protect the safety of our food, fish, animal and plant production base	• A move from prescriptive or rule-based regulations to outcome-based regulations • Improved on-farm food safety and quality programs	• Per cent of agriculture and fishery operations adopting Hazard Analysis and Critical Control Points (HACCP) food safety principles • Per cent of industry production under voluntary quality certification programs	• Continue to work with agriculture and shellfish industries to implement on-farm food safety and quality programs • Fewer than five per cent of operations in seafood harvesting • Six per cent of production with quality certification programs (such as Vintners' Quality Assurance and organics)
• Prescriptive or rule-based approaches to sustainable development and protection of the environment	• Improved farming practices, sustainable development and environmental protection	• Per cent of farms with environmental plans	• At year-end, an industry-led committee was set up to develop the process for implementing on-farm environmental planning in British Columbia in the coming year • Draft environmental planning documents were developed for farmer reference • A computer program developed to help farmers with waste management planning on their farms

• Minimal influence over management of fisheries resource (wild fishery)	• Increased management of, and greater value from, our fisheries resources	• Economic growth of the seafood sector at four per cent a year on average	• $1.02 billion wholesale value of B.C. seafood production in 2000 to $1.1 billion in 2001
• Government funds major costs of risk management programs	• Lower public cost and increased use of private sector risk management tools	• Range of private sector risk management tools available to farmers	• Limited current range of private sector risk management tools and limited use
• Government subsidies to business, including direct grant programs to businesses and organizations	• Eliminate all subsidies to business, including direct grant programs to businesses and organizations	• Dollars spent on grants to businesses and organizations	• $1.8 million in grants in 2001/02 will be eliminated by 2002/2003
• Direct technical advisory services to agri-food sectors	• Partner with industry to deliver technical information via the internet, and then privatize	• Development of electronic service delivery platform for technical advisory information	• 30 per cent of producers have sector information on the InfoBasket site

2001\2002 Key Achievements and Performance by Core Business Area

The performance reporting approach used in this analysis focuses on desirable outcomes in each of the ministry's core business areas and then traces back resources used by the ministry and services it delivered that influenced those outcomes.

Program or Project by Core Business Function	Description	Program Achievement and Outcome
Food Safety and Quality Outcome: Enhanced economic growth and consumer confidence through reliable food safety/quality programs		
Foreign Animal Disease Eradication Plan (specifically foot-and-mouth disease)	An operational plan to eradicate diseases such as foot and mouth in the event of an outbreak in B.C. A foreign animal disease outbreak in B.C. would result in significant economic losses, not only to livestock producers, but to the B.C. economy as a whole as evidenced by the recent experience in Great Britain with foot and mouth disease	Developing an effective disease prevention and control plan is essential to minimizing the economic impacts of a foreign animal disease outbreak in B.C. To address this need, the ministry developed a Memorandum of Understanding with the Canadian Food Inspection Agency and other agencies outlining respective roles in the case of a foreign animal disease outbreak in B.C. By enabling a coordinated and rapid response to and the containment of a foreign animal disease, economic losses and market sanctions against B.C. and Canadian agri-food products can be minimized

Organic Certification	To build consumer confidence in the agri-food system, organic certification processes are validated and audited by the province	The ministry approved two new organic certification agencies Certification enhances consumer confidence in organically certified food and opens up additional markets for B.C. organic producers
On-Farm Food Safety Workshops	Consumers demand that our food systems are using best management practices to ensure safe food products	To ensure B.C. farmers are aware of the latest developments and information on food safety practices, the ministry continues to work with industry to deliver on-farm food safety workshops, microbial food safety checklists, and on farm food safety programs
Animal Health	Greater concern is being expressed about the potential for disease transmission from animals to humans	Domestic livestock, poultry and fish submissions to the Animal Health Centre were used to study the dynamics of animal diseases in B.C. to minimize the risk of transmission of disease between animals and from animals to humans The on-going monitoring helps to protect consumers from health issues related to animal products
Medicated Feed for Animals and Fish	The general public is expressing greater concern over the use of medicated feed for the livestock, poultry and aquaculture industries and the potential linkage of how antibiotic use in animal and fish production affects humans	The ministry achieved agreement in principle with the B.C. Centre for Disease Control, the University of British Columbia and the Vancouver General Hospital to implement a pilot project to develop a database on antimicrobial resistant patterns in healthy human and animal populations The database is an essential first step in identifying linkages between antibiotic use in animals and its affect on humans
Fish Product Exports	Canada's trading partners are requiring increased levels of health certification of products destined for export markets	In co-operation with the aquaculture industry and Fisheries and Oceans Canada, the ministry provided documentation on the health status for export of salmon eggs to Chile This enabled the industry to access export markets and increase returns to British Columbia producers
Milk Product Quality	Consumers expect B.C. milk production to be inspected to ensure safe, quality milk products	In support of maintaining a safe supply of milk in B.C., ministry staff visited 413 dairy farms, to inspect for compliance with best food safety management practices Where violations of the *Milk Industry Act* were found, inspection staff issued warnings and fines to improve compliance Unpasteurized (raw) milk poses a public health risk. Sale of raw milk is illegal. The ministry obtained agreement, in principle, with the B.C. Milk Marketing Board and the Fraser Valley Health Authority to jointly investigate the illegal sale of raw milk in B.C.
Obsolete Pesticides	Unwanted/obsolete pesticides represent an environmental risk in B.C.	Working with the B.C. Agriculture Council and the Canadian Pest Management Association, the ministry coordinated a collection program for unwanted/obsolete pesticides for disposal in an environmentally safe manner
Pesticide Registrations	Public safety concern about the safety of food produced with pesticides	Obsolete pesticide products are being replaced by newer, safer pest control products The ministry works with industry and product suppliers to ensure new pest control products have been tested for safety

Environmental Sustainability and Resource Development Outcome: Job creation, higher productivity, fewer restrictions on development, fewer regulatory conflicts and good environmental management		
Agriculture Environment Partnership Initiative/ Nutrient Management	Effective nutrient management strategies are important to minimize the environmental risks of agricultural practices	Established through joint federal-provincial funding directed at improving the overall performance of the agriculture sector in achieving environmental stewardship objectives A total of $3,239,632 has been provided for the construction of 50 manure storage expansion projects on B.C. farms. Proper storage helps reduce the potential for negative impacts on soil and water resources
Wildlife Damage Prevention and Compensation	Economic losses to individual farms and ranches due to wildlife and waterfowl damage and predation can significantly impact on the viability of a farm or ranch operation It is important that a balance of interests be achieved	Pilot projects dealing with wildlife and waterfowl damage and predation, prevention and compensation have been initiated Results of three pilot projects will lead to workable approaches for reducing the severe impact of wildlife on the profitability of many farms and ranches
Peace River Stackyard Fencing Program	A program to install perimeter fencing to protect feed from consumption by wildlife	Program was initiated in fiscal 2000/01 To date, 108 project applications have been received and $292,000 has been committed. Total cost at year-end was $130,344 A total of 42 projects have been completed at year-end
Bird Control (Noise Devices)	A study into farmers' need to use noise devices to keep birds from eating their crops while recognizing the impact of noise on neighbours	A report included recommendations on guidelines for use of noise devices on farms to prevent crop loss due to birds The guidelines will help minimize nuisance complaints while protecting crop loss Improving community relations will open additional opportunities for agriculture over the long term
Delta Agriculture	The ministry applied the "Planning for Agriculture" provisions of the *Local Government Act* to the District of Delta to ensure that relevant bylaws did not unnecessarily inhibit development potential for agricultural operations	The minister appointed a mediation team to address the issues The Delta mediation process resulted in a report that will provide the basis for developing solutions to agricultural planning issues in Delta
Agriculture Plans	Staff support for agriculture plans in Richmond, Comox, Strathcona, the Creston Valley, and the Fraser Valley	Agriculture plans provide the basis for sound agricultural policies and bylaws in these communities The plans minimize impediments to sector growth and development

Fisheries and Aquaculture Management Outcome: A competitive and self-reliant seafood industry		
Fisheries Renewal B.C.	A program to enhance fisheries habitat	Fisheries Renewal B.C. was wound down and the *Fisheries Renewal Act* was repealed Meets the government objective of efficient delivery of programs that meet public needs and avoiding duplicated resources available elsewhere in public and private sectors
Aquaculture Inspection	Inspection of all active salmon farms in British Columbia	During the 2001 inspection cycle, 83 inspections were conducted at active salmon farms to ensure compliance with regulatory requirements and licence conditions The new regulations include more comprehensive requirements for salmon farm operators They include specifics on frequency of net inspections, inspections of containment systems, predator control and avoidance, boat operations, net monitoring and inspection, dive inspections, anchoring systems, escape prevention and response policies, harvesting and processing requirements and more detailed and complete documentation and record keeping requirements Results of the 2001 inspections are provided in the annual report available on the ministry Web site
Seafood Licencing and Inspection	Ministry inspectors check fish handling facilities under an arrangement with the Canadian Food Inspection Agency and the Ministry of Health Services	Licences issued: • 200 for fish processing • 269 for buyers • 13 for fish brokers • 363 for fish vendors
New Standards for Sustainable Aquaculture	New standards to be set for sustainable aquaculture paving the way for responsible expansion of the industry	In the process of developing new, comprehensive environmental standards and practices that will allow for the managed expansion of the salmon aquaculture industry in B.C. Improved and new policies for fish escapes, fish health, siting and relocations, fish waste and research and development have been developed to support future expansion
Shellfish Farming	A Shellfish Steering Committee was established to provide advice to Land and Water B.C. on suitable areas for shellfish aquaculture, rates of development and community criteria for shellfish applications	Land and Water B.C. has received 17 applications for a total of 247 hectares with the Nootka-Kyuquot Plan area Memoranda of Understanding were signed with the three of the four First Nations in the area that reserved sites for future shellfish aquaculture tenure applications 13 new shellfish aquaculture tenures in Barkley Sound have been approved by Land and Water B.C. Agreement reached with the federal government on the harvest and sale of additional clam species (savory clams) off shellfish tenures allowing growers to increase their harvest value
Eco-Certification	An international certification program that means a fishery meets the highest standards of environmental sensitivity	In co-operation with industry and Fisheries and Oceans Canada, a full assessment process to eco-certify the B.C. salmon fishery was initiated Eco-certification will enhance competitiveness in global markets

Risk Management Outcome: Increased private sector responsibility for management of farming risks, and a more level playing field for industry relative to other jurisdictions to effectively mitigate unpredictable, uncontrollable risks		
Net Income Stabilization Account (NISA)	Farmers face a broad range of risks beyond their control (weather, market process and costs) that affect their long-term viability Governments provide varying levels of support to stabilize farm income	The ministry continues to question the capacity of NISA to provide an effective mechanism to stabilize farm incomes due to circumstances beyond the control of farmers As a measure to get the federal government to address this concern, the ministry served notice to withdraw payment of the program's bonus interest provision The ministry continues to press for further program changes that will result in improved program performance
Whole Farm Insurance		The Whole Farm Insurance Program continues to provide protection for severe farm income losses beyond the farmer's control Whole Farm Insurance compensated 488 farmers for a total of $11.7 million for income disasters that occurred in 2000 See table A in the appendix for more details
Crop Insurance		The Canada-B.C. Crop Insurance program continues to provide farmers protection against weather-related perils Major hail losses in the Peace River grain sector and substantial losses in the tree fruit sector were experienced The program paid out $9.28 million for insurance claims for crop losses to insurable perils See table B in the appendix for more details
$24.4 million Federal Safety Net Funding	The federal government announced it would provide an additional $500 million to Canadian farmers subject to the provinces providing a further $333 million	The ministry successfully negotiated the use of existing provincial program expenditures to provide its matching contributions enabling B.C. farmers access to the provincial share of $24.4 million in federal funding The additional funding enabled many recipients to avoid bankruptcy, secure operating credit and improve cash flow for 2001
Industry Competitiveness Goal: More profitable and growing sector		
Buy B.C./ B.C. Sharing	The Buy B.C. program helps British Columbians more easily identify food products grown and processed in British Columbia The B.C. Sharing part of the Buy B.C. program provides a simple way for consumers to support British Columbia food banks with food products Government withdrew funding for the Buy B.C. program in July 2001 and called upon industry to lead the program	The ministry has started negotiations with two private sector groups to enter into licencing agreements to enable the continued promotion of B.C. agri-food products and support to food banks throughout B.C.

B.C. Agri-Food Trade Council	Council was established to provide broad-based industry input for international and inter-provincial trade negotiations affecting B.C. agriculture	Council established at a time when international trade negotiations enter an important stage
Energy Costs in Greenhouses and Floriculture Sectors	As a result of high natural gas costs experienced throughout 2000/01, many greenhouse vegetable and floriculture operations faced significant increases in the cost of natural gas or were not able to secure a supply of natural gas	The ministry facilitated a natural gas purchasing pool for greenhouse growers 36 growers in the pool secured most of their winter natural gas requirements at 30 per cent below their previous cost
Food Industry Co-ordination	The food industry is a sector with economic growth potential in B.C.	An advisory committee composed of representatives from the B.C.'s food industry identified impediments to increased investment and growth in agri-food value-added activities Working proactively with the sector, will improve government's ability to address a number of obstacles to the competitiveness of the B.C food processing industry
Agri-Food Futures Fund	B.C.'s agriculture and agri-food industry must continue to adapt and respond to challenges in areas of food safety, environmental sustainability and growth and development of value-added opportunities	As of March 31, 2002, the following initiatives were underway: • Industry sustainability initiatives that were approved and funding committed: — Agriculture Environmental Partnership — Mushroom industry The Agriculture Environmental Partnership Initiative was established by the B.C. Agriculture Council to address agri-environmental issues. Key results achieved to date include: wildlife damage prevention and mitigation programs to reduce the economic impact of wildlife on farms and ranches; nutrient management program to reduce the environmental risks of livestock waste management, fertilizer and chemical use on water and air resources The mushroom industry strategic plan was approved enabling the industry to address structural, competitive and environmental issues that will renew confidence in the industry and support future investment
Farming and Fishing Industries Development Act	The Act allows industry to establish a levy on their product to raise funds for market promotion and research and development activities to reduce the income risks of farming in B.C. The council will result in an increased market focus by the sector	Facilitated a New Varieties Tree Fruit Council to collect a grower levy for promotion of a new variety — the Ambrosia apple This will result in an increased market focus

InfoBasket — Electronic Information to Producers	An electronic-based platform that offers B.C. producers access to current and relevant business information	Established an electronic-based platform to enable B.C. producers to access current and relevant business information related to production, distribution, marketing and regulation of five industry sectors — organics, ornamentals, specialty crops, agroforestry and micro-food processors InfoBasket received the 2001 Public Sector Technology Award in the electronic service delivery category recognizing the leadership, innovation and excellence in the management and use of information technology by the ministry
Aquaculture and Commercial Fisheries Information	Provides comprehensive aquaculture and commercial fisheries information	Information on the government's progress in addressing issues raised by the Salmon Aquaculture Review is continuously updated The Seafood Year in Review publication is posted on the ministry's Web site Implementation of a toll-free 24-hour Atlantic Salmon escape reporting line
Corporate Services — Goal: Modern, service-oriented policies and legislation, significantly reduced government regulation, a fair share of federal expenditures, enhanced trade access and an efficient, accountable administrative operation		
U.S. Tomato Trade Action	The U.S. initiated trade action on Canadian greenhouse tomato growers for alleged dumping of Canadian tomatoes into the U.S. market at below the cost of production causing economic damage to U.S. producers	The ministry pressed for restoration of free trade by seeking Canadian and U.S. government actions to promote a negotiated settlement to the dispute after the U.S. imposed tariffs of 50.75 per cent on B.C. tomatoes exported to the U.S. After investigation, the U.S. government's International Trade Commission ruled that imports of greenhouse tomatoes from Canada did not injure the U.S. industry Anti-dumping duties were ended and previously collected monies were refunded The result provides a greater degree of certainty market access for the Canadian greenhouse tomato industry
World Trade Organization (WTO) Negotiations and Free Trade Area of the Americas Negotiations (FTAA)	Two major studies of B.C. agriculture, food and fish opportunities and priorities related to: • China's entry into the WTO • FTAA negotiations	Two studies were completed In the WTO study, opportunities for the B.C. ginseng, seafood, poultry, wine, horticulture and bottled water exports were identified In the FTAA, results will enable negotiators to seek advantages for B.C. exports of agriculture, food and fisheries products

Achieving a Fair Share of Federal Funding Support for the Agriculture Sector	The ministry is an active participant at the federal-provincial-territorial table The current federal-provincial agreement on agriculture risk management that provides B.C. with more than $40 million of federal funding annually will expire on March 31, 2003	To replace this agreement, the federal-provincial-territorial ministers have started negotiations on an integrated agriculture policy framework that will lead to Canada being recognized as the world leader in food safety Funding approaches are a part of the discussions within the proposed Agricultural Policy Framework The ministry has helped shape the policy direction for a new federal-provincial-territorial agreement that is consistent with the ministry's three-year service plan It is expected that the ministry will continue to secure its fair share of federal funding based on active participation in the negotiation of the agreement and the design of programs Plans are in place to sign a policy framework agreement in late June 2002 Work will then begin on a bilateral agreement on specific actions reflecting priorities within B.C. The ministry continues to negotiate a new agreement that will align with the ministry's service plan objectives while ensuring equitable treatment of B.C. farmers
Change Management and Human Resources Plan	A change management process was implemented for ministry staff in light of the significant transition to the ministry's new mandate and core business areas	A series of change management workshops were conducted for managers and all their staff to allow a smooth transition to the new core business areas Workshops focussed not only on the change management process but also on leadership, enhancing human resource skills, and business planning Workshops will continue into the new fiscal year

Report on Resources

In addition to program shifts, the result of the Core Services Review also required adjustments in both budget and staffing levels.

The ministry's Service Plan outlines how ministry resources had to be reduced to carry out its new mission and meet the requirements of the Core Services Review. Full time equivalent (FTE) staff positions will be reduced.

The ministry budget will be reduced from $81 million in the 2001/2002 fiscal year to $64 million in 2002/03. Reductions for both FTEs and operating expenditures were indicated. By 2004/05 FTEs are to be reduced to approximately 327 and the ministry budget will be reduced to $45 million.

2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Food Safety and Quality	5,149		5,149	4,980	169
Environmental Sustainability and Resource Development	18,947	(36)[1]	18,911	17,656	1,255
Fisheries and Aquaculture Management	4,236	0	4,236	4,485	(249)
Risk Management	21,114	0	21,114	22,841	(1,727)
Industry Competitiveness	22,116	31[2]	22,147	21,598	549
Corporate Services	10,214	0	10,214	8,457	1,757
Total	81,776	(5)	81,771	80,017	1,754
Full-time Equivalents (FTEs)					
Total	392	0	392	346	46
Ministry Capital Expenditures ($000)					
Information Systems	905	0	905	780	125
Other	542	437[3]	979	1,104	(125)
Total	1,447	437	1,884	1,884	0

1 Grazing Enhancement Fund — accounting adjustment as a result of program ending

2 *Cattle (Horned) Act*

3 Capital Contingency — accounting adjustment for change of vehicle leases to capital lease from operating lease

Ministry Operating Expenditures ($000)		
	$ millions	
	2001/02	**2002/03**
Food Safety and Quality	5,149	4,973
Environmental Sustainability and Resource Development	18,947	6,767
Fisheries and Aquaculture Management	4,236	6,569
Risk Management	21,114	20,156
Industry Competitiveness	22,116	16,355
Corporate Services	10,214	9,258
TOTAL	**81,776**	**64,078**
Full-Time Equivalents (FTEs)		
TOTAL	**392**	**360**
Ministry Capital Expenditures ($000)		
Information Systems	905	893
Other	542	539
TOTAL	1,447	1,432

Revenues and Recoveries 2001/02
(Allocated According to Core Business Areas)

Food Safety and Quality	
Health Management and Regulatory Service Fees and Licences	46,347
Horned Cattle Fees	20,574
Veterinary Laboratory Fees and Licences	209,428
Plant Laboratory Fees	10,673
	$287,022
Environmental Sustainability and Resource Development	
ALDA (Agricultural Land Development Account) — Interest on Loans	305,863
ALDA — Recovery Concessionary Loans	833,583
	$1,139,446
Fisheries and Aquaculture Management	
Fisheries Renewal B.C. Dividend on Wind-down	$1,000,000
Commercial Fishing Licenses	$294,280
Aquaculture Licenses	46,286
	$2,140,454
Risk Management[1]	
Recovery — Prior-Year Expenditures ($982,856 — Safety Net Programs)	$1,012,630
British Columbia Marketing Board Appeal Fees	3,600
Livestock Protection Act — Dog Licences	8,897
Crop Insurance — Administration Cost Recovery	2,169,426
Canada-B.C. Wildlife Damage Compensation Program	265,042
	$3,459,595
Industry Competitiveness	
Sale of Publications	$876
National Farm Business Management	143,000
	$143,876
Corporate Services	
Freedom of Information Fees	407
Interest on Overdue Accounts (*Financial Administration Act*, section 17)	1,008
Miscellaneous Receipts	21,581
Miscellaneous	$125,872
	$148,868
TOTAL MINISTRY REVENUE 2001/02	**$6,519,373**

[1] Canada-British Columbia Assistance Program $21,999,532

Under the *Financial Administration Act*, the ministry received additional funds from the federal government for program expenditures.

This was a special one-time contribution from the Government of Canada to give financial assistance to eligible producers in B.C. to offset economic hardship incurred in 2000. An additional $2.4 million was provided by the federal government for industry development funding for a total of $24.4 million.

Appendices

A. Whole Farm Insurance Program Payments to Producers 2001/02*

Commodity	Dollars Paid	Claims Paid
Beef	$45,420	5
Berries	$1,587,913	81
Cranberries	$3,103,212	26
Floriculture	$160,562	3
Forage	$17,123	4
Grain	$858,173	47
Grapes	$36,415	3
Greenhouse Vegetables	$1,477,777	19
Hogs	$60,005	4
Nursery	$16,647	1
Other Crops	$781,670	20
Other Livestock	$42,275	3
Treefruits	$2,882,047	251
Vegetables	$600,481	21
Total	**$11,669,719**	**488**

* The Whole Farm Insurance Program is not a commodity-specific program. The program provided support to individuals on a margin basis (farm income and revenue - farm cash operating costs) that takes into account all farm income sources. The summary by commodity is for illustrative purposes and based on the commodity representing the greatest percentage of the farm's income from its operations.

B. Crop Insurance Claims 2001/02*

Commodity	Total Claims (Basic and Plus)
Berries	124,075
Forage	739,923
Grain	2,535,428
Grapes	20,706
Tree Fruits	5,795,043
Vegetables	32,006
Total	**9,247,181**

*Commodity summaries are based on the specific plans provided by the program.

Related Boards and Commissions

Land Reserve Commission (transferred to the Ministry of Sustainable Resource Management in June 2001)
B.C. Blueberry Industry Development Council
B.C. Broiler Hatching Egg Commission
B.C. Cattle Industry Development Council
British Columbia Chicken Marketing Board
British Columbia Cranberry Marketing Board
British Columbia Egg Marketing Board
British Columbia Grape Marketing Board (scheme repealed February 2, 2002)
British Columbia Hog Marketing Commission
British Columbia Marketing Board
British Columbia Milk Marketing Board
British Columbia Mushroom Marketing Board
British Columbia Peace River Grain Industry Development Council
British Columbia Raspberry Industry Development Council
British Columbia Tree Fruit Marketing Board
British Columbia Turkey Marketing Board
British Columbia Vegetable Marketing Commission
British Columbia Wine Institute
B.C. Woodlot Products Development Council
Dairy Products Promotional Fund Committee
Farm Practices Board
Fisheries Renewal B.C.
Okanagan Valley Tree Fruit Authority
New Tree Fruit Varieties Development Council
British Columbia Salmon Marketing Council

Legislation Administered by the Ministry of Agriculture, Food and Fisheries

Ministry of Agriculture and Food Act
Agricultural Credit Act
Agricultural Land Reserve Act (transferred to the Ministry of Sustainable Resource Management in June 2001)
Agricultural Produce Grading Act
Agri-Food Choice and Quality Act
Agrologists Act
Animal Disease Control Act
Bee Act
British Columbia Wine Act
Cattle (Horned) Act
Farm Income Insurance Act
Farmers and Womens Institute Act
Farming and Fishing Industries Development Act
Food Products Standards Act
Fur Farm Act
Game Farm Act
Grazing Enhancement Special Account Act
Insurance for Crops Act
Land Reserve Commission Act (transferred to the Ministry of Sustainable Resource Management in June 2001)
Livestock Act
Livestock Identification Act
Livestock Lien Act
Livestock Protection Act
Livestock Public Sale Act
Local Government Act (sections 916 to 919 only)
*Milk Industry Act**
Natural Products Marketing (B.C.) Act
Okanagan Valley Tree Fruit Authority Act
Pharmacists, Pharmacy Operations and Drug Scheduling Act (sections 65 to 71 only)
Plant Protection Act
Prevention of Cruelty to Animals Acts
Seed Grower Act
Seed Potato Act
Soil Conservation Act
Veterinarians Act
Veterinary Laboratory Act
Weed Control Act

*In practice, responsibility for this statute is shared with the Ministry of Health Services

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Ministry of
Attorney General and
Minister Responsible for
Treaty Negotiations

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

Ministry of
Attorney General and
Minister Responsible for
Treaty Negotiations

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Attorney General.
[Annual report (2002)]

Annual Report — 2001/2002 - "A new era update".

Continues: British Columbia. Ministry of Attorney General.
Annual performance report. ISSN 1499-0210
ISSN 1703-2717 = Annual Report - British Columbia.
Ministry of Attorney General (2002)

1. British Columbia. Ministry of Attorney General - Periodicals. 2. British Columbia - Treaty Negotiations Office - Periodicals. 3. Justice, Administration of - British Columbia - Periodicals. 4. Indians of North America - British Columbia - Treaties - Periodicals. 5. Indians of North America - British Columbia - Government relations - Periodicals. I. Title. II. Title: Ministry of Attorney General and Minister Responsible for Treaty Negotiations Annual Report.

KEB475.A72B74 353.4'09711'05 C2002-960113-4
KF5106.A6B74

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Published by the Ministry of Attorney General and Minister Responsible for Treaty Negotiations

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/2002 Ministry of Attorney General and Minister Responsible for Treaty Negotiations Annual Report was prepared under my direction, and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Geoff Plant

Honourable Geoff Plant
Attorney General

June 28, 2002

BRITISH
COLUMBIA

**Ministry of Attorney General
and Minister Responsible for Treaty Negotiations**

I have the honour of submitting the Ministry of Attorney General and Minister Responsible for Treaty Negotiations Annual Report for the fiscal year 2001/02. As a *New Era* update, this report focuses on the period of June 5, 2001, to March 31, 2002.

British Columbia's justice system has entered a time of both challenge and opportunity. We are challenged to maintain and improve our system of justice in the face of fiscal realities that require significant expenditure reductions. In meeting this challenge, I strongly believe that we can find opportunities to make our justice system better.

To achieve this goal, we will be working with our partners in the justice system to implement meaningful reforms. This includes working with the judiciary, with the bar, with community groups and others who have an interest in ensuring that justice is accessible and affordable.

My responsibilities also include the Treaty Negotiations Office. In this past year, we participated in a detailed review of the treaty process which resulted in the development of creative options for change. The work of the Select Standing Committee on Aboriginal Affairs helped shape the province-wide referendum on treaty principles that will guide B.C.'s approach to treaty negotiations. The outcome will be a clear mandate for provincial negotiators to take to the treaty table to build lasting treaties and new relationships so that all British Columbians, including First Nations, can work together to build hope and prosperity.

This report reflects the first steps we have taken to fulfil our *New Era* commitments. Subsequent reports will detail the ministry's success in implementing the service plan that I signed on January 30, 2002.

Geoff Plant

Honourable Geoff Plant
Attorney General

June 28, 2002

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Year-at-a-Glance Highlights

- Commenced a drug treatment court pilot in Vancouver in co-operation with the Ministry of Public Safety and Solicitor General and the Federal Department of Justice. The pilot provides an alternative to the regular criminal court process for appropriate individuals who have come into conflict with the law and who would not normally seek treatment for their drug dependency.
- Completed the implementation of JUSTIN, an integrated criminal case-tracking computer system with links to police, Crown prosecutors, court services and corrections throughout the province.
- Expanded the use of video-conferencing technology in court proceedings. As of March 2002, there were 59 video-conferencing units in 38 locations across the province.
- Continued to develop an information management system to enhance court security and help manage the safety and security needs of thousands of accused people taken into custody in this province each year.
- Established the Justice Services Branch to better coordinate the design and delivery of justice-related programs, including family justice counsellor services, the Family Maintenance Enforcement Program, the Dispute Resolution Office and legal aid.
- Established a Web site and toll-free telephone enquiry line to provide better access to information on resolving family disputes and making child custody and support decisions for British Columbians going through separation or divorce.
- Implemented a pilot project to allow Provincial Court judges contemplating retirement to elect to serve on a part-time basis before full retirement. The pilot promotes greater flexibility and efficient use of court services while retaining experienced senior judges.
- Launched an independent review of private sector pay equity legislation. The review was completed in February 2002 and the report was tabled in the Legislative Assembly.
- Launched a review of administrative justice agencies to examine fundamental questions about the nature, quality and timeliness of the services that such agencies offer to British Columbians. As a result of the first phase of this review, 33 of the province's 67 administrative justice agencies are being restructured.
- Completed a review of enduring powers of attorney and representation agreements. Government accepted the review's recommendations in principle and began consultations with the public on the detailed recommendations.
- Passed legislation to require the registration of lobbyists to ensure greater transparency and enhance open government.
- Established a fixed provincial election date under the *B.C. Constitution Act*.
- Asked an all-party committee of the Legislative Assembly to consult with British Columbians, including First Nations, to draft the questions for the Referendum on Principles for Treaty Negotiations.
- Participated in a tripartite review on improving the treaty process with First Nations, the Government of Canada and the Province of British Columbia.
- Actively participated in 40 treaty negotiations throughout the province. Completed 17 treaty-related measures and 28 interim measures agreements to support treaty negotiations and enhance economic certainty. Funding for all treaty-related measures is cost-shared with Canada on a 50:50 basis under a cost-sharing memorandum of understanding.

Ministry Role and Services

Ministry Vision, Mission, Values and Goals

Vision

An accessible, responsive, accountable justice system that protects the rights of all citizens, offers a range of affordable, timely and fair ways to resolve disputes, and fosters confidence in the integrity, efficiency and effectiveness of the justice system. The knowledge that government operates lawfully and is building reconciliation through negotiation contributes to the social stability and economic vitality of British Columbia.

Mission

To promote the safety and security of communities (in co-operation with the Ministry of Public Safety and Solicitor General); administer an independent, impartial and accessible justice system; facilitate the timely, fair and lasting resolution of civil legal disputes; provide high-quality legal services to government; and, through negotiation, achieve reconciliation with Aboriginal peoples of British Columbia and legal certainty over the ownership and use of Crown land and resources in British Columbia.

Values

The Ministry of Attorney General shares with all government organizations a commitment to affordability, efficiency, timeliness, accountability, innovation and reform, and a healthy, supportive workplace.

In addition, the ministry strives to deliver its unique services in accordance with these values:

- Accessibility
- Independence
- Impartiality and fairness
- Certainty
- Processes that are appropriate to the nature of the dispute
- Respect for the law

Goals

1. Laws and justice services are administered fairly, equitably, and efficiently to all British Columbians, while individual rights and judicial independence are protected.
2. Citizens and communities of British Columbia receive protection from crime and its social and economic consequences.
3. High quality legal services are provided to government.
4. Treaty processes are revitalized by means of a referendum, and the investment climate is enhanced through effective negotiations.
5. The efficiency of all Ministry operations is improved through the use of innovative business practices and technology.

Core Business Areas and Programs

Community and Public Safety

A number of ministry program areas contribute to helping ensure the safety of British Columbians. The Criminal Justice Branch conducts criminal prosecutions, which includes making timely decisions about approving criminal charges and making referrals to Alternate Measures programs for appropriate minor offences. The branch also identifies high-risk and violent offenders to the court for appropriate attention. Another important aspect of this business area is the ministry's responsibility, exercised through the Court Services Branch, for providing effective and efficient court administration, including prisoner escort, court security, facility maintenance and courts information.

Social and Economic Stability

The ministry supports the social and economic stability of British Columbia by facilitating the timely and effective resolution of civil and family disputes. The Court Services Branch provides administrative services to the three levels of court that adjudicate these disputes (Provincial Court, Supreme Court and the Court of Appeal). Through the Justice Services Branch, the ministry also encourages out-of-court settlement through mediation and other dispute resolution processes, for example, the requirement for families undergoing separation and divorce to see family justice counsellors. Finally, the ministry promotes procedural and substantive law reform in the province.

Lawful Government

The ministry's Legal Services Branch provides high-quality, cost-effective legal advice and representation to the Government of British Columbia. This includes advising the government on civil law matters, managing the government's liability costs, and working to reduce the costs of litigation through the use of technology and improved business practices.

Assisting the Vulnerable and Victims

Assisting vulnerable British Columbians is an important part of the ministry's work, requiring co-operative efforts among three separate areas of the ministry: the Justice Services, Criminal Justice, and Legal Services branches. The ministry attempts to accelerate the resolution of child protection cases by supplying trained mediators upon the request of parties to disputes, and is piloting a facilitated planning meeting process to reduce the number of cases that go to contested hearings. The Family Maintenance Enforcement Program focuses on enforcing family maintenance orders for families that are dependent on that maintenance in order to avert the need for B.C. Employment and Assistance support. In criminal law, the ministry's Crown prosecutors use victim impact statements where appropriate at court proceedings.

Independent Judiciary

The ministry supports the continued operation of an independent judiciary through the Court Services Branch. It works with the judiciary on specific projects, specifically the Provincial Court's criminal case flow management process and rules, as well as the Supreme Court's reforms for expedited case processing and electronic justice services.

Aboriginal Negotiation and Litigation

The ministry's Legal Services Branch provides legal services to government on Aboriginal law and negotiation matters.

Statutory, Special Accounts, and Agencies, Boards and Commissions

The ministry provides administrative support to agencies, boards and commissions that have mandates relating to justice and regulatory issues, as well as for specific statutory bodies such as commissions of inquiry.

Corporate Services for Attorney General and Solicitor General

The work of both the Ministry of Attorney General and the Ministry of Public Safety and Solicitor General is supported by a number of offices that offer corporate services to these two ministries' operations. The services provided to the ministries include: human resources; information technology and management; research and analysis on policy and legislation; financial management and resource analysis; freedom of information, records and privacy; and, ministry planning and program evaluation. In addition, the Investigation, Inspection and Standards Office has statutory authority to conduct investigations and inspections relating to correctional and court services facilities to ensure compliance with legislated standards.

The Treaty Negotiations Office

The ministry's Treaty Negotiations Office has primary responsibility for negotiating and implementing agreements with First Nations in the province. Through treaties and other negotiated agreements, the office represents British Columbians in order to achieve legal certainty and economic stability. This year, the office also provided support to the treaty referendum process.

Core Review Strategic Shifts

Crime rates, private litigation volumes and other social and economic factors create demands upon the justice system and contribute to increasing costs. In addition, unresolved Aboriginal claims continue to create economic uncertainty for the province.

The challenges for the ministry are to ensure that the justice system is accessible, affordable and fair, and, in the context of Aboriginal negotiations, to reach lasting agreements with First Nations that establish legal certainty over land and resources.

To address these challenges, the ministry has undertaken a number of strategic shifts in how it operates. The following shifts will be fully implemented over the course of the ministry's three-year Service Plan:

- Increased reliance on alternate dispute resolution and prevention of civil and family disputes;
- Increased use of out-of-court options such as community-based justice programs for appropriate minor offences;
- Greater use of new technology to improve access to the justice system and reduce operating costs;
- Active management of government's financial risk and liability; and,
- A shift in focus away from complex, comprehensive treaties with First Nations to agreements built over time through the negotiation of land, resource and governance arrangements that respect the diverse interests of First Nations.

Administrative Justice Project

Over the course of many years, government, on behalf of the people of the province, has made an enormous public investment in its system of administrative justice. Today, there are more than 60 administrative justice agencies that affect the everyday life of British Columbians. These agencies are diverse and include the Labour Relations Board, the Human Rights Tribunal, the Commercial Appeals Commission and the Workers' Compensation Board.

The ministry has commenced a thorough and systematic review of administrative justice agencies called the Administrative Justice Project (AJP). The goal of this project is to ensure that administrative agencies meet the needs of the people they serve, that their mandates are current and relevant, and that their administrative processes are open and transparent.

The AJP is examining fundamental questions about the nature, quality and timeliness of the services that administrative agencies offer to people and their communities. For example, the AJP:

- is reviewing the mandates of the province's administrative agencies to ensure they are relevant to a modern and efficient economy;
- is making recommendations to eliminate overlapping jurisdictions and multiple proceedings;
- is making recommendations to streamline administrative procedures; and,
- is making recommendations for government to support the work of administrative agencies in an appropriate and effective way.

The AJP is a major initiative and the first of its kind in British Columbia. There are several key phases of the project, including the release of a White Paper in July 2002.

Fit to Government Strategic Plan

The government-wide strategic plan provides the broad framework within which individual ministries pursue their goals. The vision outlined in the government's strategic plan is of a prosperous and just province whose citizens achieve their potential and are confident about the future.

The approach of the Ministry of Attorney General is consistent with the government's strategic plan. The ministry has incorporated relevant goals and objectives into its planning process, and has adopted measures to gauge its success in meeting them. Specifically, the government's strategic plan calls for a fair and efficient justice system. The Administrative Justice Project is one important component of achieving this goal. In addition, the ministry will measure its success in providing such a system by, among other things, tracking the average number of court appearances per criminal case, as well as the rate of small claims settlements that are reached through dispute resolution.

The government's strategic plan also sets a goal of safe communities in British Columbia, which the ministry will measure by monitoring personal and property crime rates. Finally, all ministries are mandated to establish effective working relationships with First Nations; the ministry plans to achieve this by undertaking meaningful negotiations on specific issues, such as land and resource ownership, that are important to First Nations and all British Columbians.

Planning Context

A number of social factors affect the ability of the ministry to realize its vision. The most significant of these are:

- Although British Columbia continues to have one of the highest crime rates in Canada, reported crime rates in both the province and the rest of Canada have declined over the past several years. Crime rates are affected by the interaction of a number of social, demographic and economic factors. Ministry efforts in the family justice area — such as early resolution of family disputes, mandatory referrals to family justice counsellors in divorce or separation cases, and an improved collection process for child support payments — assist in protecting youth at risk and may help deter crimes related to family hardship. A newly established drug treatment court provides court-supervised intervention and rehabilitation services to adult drug offenders.
- British Columbia's population is growing, is increasingly litigious, and includes a rising number of international immigrants who frequently require language services and who may be unfamiliar with the structure and principles of the justice system.
- Family law (divorce, child custody, access, support and protection) has had to evolve rapidly to keep up with changes in family structure and dynamics. As a result, family court consumes a larger share of in-court and out-of-court resources than ever before.
- Aboriginal people in British Columbia continue to be significantly over-represented in all aspects of the justice system as both offenders and victims. A high youth population and difficult social conditions in Aboriginal communities contribute to this situation.
- Unresolved Aboriginal claims have created economic uncertainty over the ownership and use of Crown land and resources.
- Court cases are becoming increasingly complex, requiring analysis of large volumes of technical evidence, more expert witnesses, and consideration of international laws and human rights.
- Criminal court backlogs have been reduced but are a continuing concern.
- The public appears to favour both strict sentences for violent offenders and crime prevention and alternatives to incarceration for less serious offences.
- The need for linked information systems across separate justice system components continues. British Columbia has already made considerable progress in linking police, Crown, courts, and adult and youth corrections through two electronic information systems: JUSTIN and CORNET.

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Update on *New Era* Commitments

Key Projects

The Premier's Office identified four key projects for the Ministry of Attorney General to be completed by May 17, 2005. These are listed below, showing the progress made on each since June 5, 2001.

Project	Progress
Lay out a program to examine the current status of Aboriginal negotiations and a strategy to move forward.	• The Treaty Negotiations Office completed a preliminary tripartite review of the treaty process with a view to revitalizing negotiations. • The office is proceeding with tripartite discussions on detailed options to revitalize the treaty process, including undertaking a table-by-table analysis to determine the most appropriate subsequent steps. • A strategy for moving forward will be based on options developed in the tripartite review, individual table assessments, and a review of referendum outcomes.
Complete a review of adjudicative agencies and make recommendations.	• The first phase of the core review of administrative agencies has been completed. This phase examined fundamental questions about the nature, quality and timeliness of the services that these agencies offered to British Columbians. The next phase, which looks at how the newly structured agencies can best deliver their services, is in progress. • A White Paper will be released in July 2002.
Establish a Citizen's Assembly and assess models for electoral reform. ***This item also appears in greater detail as a New Era Agenda priority.***	• At March 31, 2002, planning on this project was under way.
Review the *Election Act*.	• Amending legislation will be introduced in May 2002.

Update on *New Era* Commitments

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Review the *Election Act*.	• Amending legislation will be introduced in May 2002.

New Era Agenda Priorities

Responsibility for the *New Era* priorities shown below was assigned to the Ministry of Attorney General. Most of these priorities are to be addressed by May 17, 2005. This section describes the progress made from June 5, 2001, to March 31, 2002 on each priority. The first two commitments also appeared on the government's 90-day agenda, and both were accomplished well ahead of the September 3, 2001 deadline.

Priority	Progress
Appoint an independent task force to review the options, models, costs and effectiveness of private sector pay equity legislation and make recommendations to the legislature.	• As part of the 90-day agenda, a task force review was launched August 14, 2001. • The Report of the Task Force on Pay Equity was tabled in the Legislative Assembly on March 7, 2002.
Establish a fixed provincial election date under the *BC Constitution Act*.	• As part of the 90-day agenda, legislation to establish fixed provincial election dates was enacted on August 20, 2001. Under the amendments to the *BC Constitution Act*, the next provincial election will be held Tuesday, May 17, 2005, and after that, on the second Tuesday in May every four years. • The legislation provides for an immediate election in the event of the government losing a confidence vote, with the next election being held four years later.
Fight child prostitution and youth crime with specific legislation aimed at providing greater protection to children at risk and greater parental responsibility for children who commit property crimes.	• A new *Crime Victim Assistance Act*, introduced by the Solicitor General, will be brought into force in summer of 2002. The Act will provide greater protection to children at risk of exploitation through enhanced counselling benefits and new protective measures for sexually-exploited youth. • Discussions are under way with the Solicitor General and Ministry of Children and Family Development on ways to fight child prostitution. • The *Parental Responsibility Act* has been in force since January 1, 2002. Solicitor General has responsibility for this legislation.

Priority	Progress
Pass a *Domestic Violence Act* that will enhance protection and reduce domestic violence, especially for women and children.	• A cross-jurisdictional review is under way with the ministries of Public Safety and Solicitor General and Community, Aboriginal and Women's Services to examine policy, programs and legislative responses to crimes of domestic violence. • A new *Crime Victim Assistance Act*, introduced by the Solicitor General, will be brought into force in summer of 2002. The Act will provide greater protection to children at risk of exploitation through enhanced counselling benefits and new protective measures for sexually-exploited youth.
Stand up for the equality of all Canadians and all provinces under the Canadian Constitution.	• All legislation is vetted by the Ministry of Attorney General.
Ensure that all B.C. laws respect the equality rights guaranteed to all British Columbians under the Constitution.	• All legislation is vetted by the Ministry of Attorney General.
Ensure all British Columbians have equal access to legal representation and justice.	• The Ministry of Attorney General is participating in the Justice Review Task Force. The task force is comprised of senior representatives from the ministry, the B.C. Supreme Court, the B.C. Provincial Court, the Law Society and the Canadian Bar Association. Its objective is to explore a wide range of reform ideas and initiatives aimed at enhancing access to justice and increasing the efficiency of the justice system. Task force participants will engage in mutual consultation respecting proposed administrative, procedural or program changes, and will co-ordinate initiatives where appropriate. • The Legal Services Society is implementing a new and sustainable service delivery model of 7 regional offices and 24 local agents, supported by a provincewide, toll-free telephone intake system, to safeguard the provision of core legal aid services.

New Era Agenda Priorities

Responsibility for the *New Era* priorities shown below was assigned to the Ministry of Attorney General. Most of these priorities are to be addressed by May 17, 2005. This section describes the progress made from June 5, 2001, to March 31, 2002 on each priority. The first two commitments also appeared on the government's 90-day agenda, and both were accomplished well ahead of the September 3, 2001 deadline.

Priority	Progress
Appoint an independent task force to review the options, models, costs and effectiveness of private sector pay equity legislation and make recommendations to the legislature.	• As part of the 90-day agenda, a task force review was launched August 14, 2001. • The Report of the Task Force on Pay Equity was tabled in the Legislative Assembly on March 7, 2002.
Establish a fixed provincial election date under the *BC Constitution Act*.	• As part of the 90-day agenda, legislation to establish fixed provincial election dates was enacted on August 20, 2001. Under the amendments to the *BC Constitution Act*, the next provincial election will be held Tuesday, May 17, 2005, and after that, on the second Tuesday in May every four years. • The legislation provides for an immediate election in the event of the government losing a confidence vote, with the next election being held four years later.
Fight child prostitution and youth crime with specific legislation aimed at providing greater protection to children at risk and greater parental responsibility for children who commit property crimes.	• A new *Crime Victim Assistance Act*, introduced by the Solicitor General, will be brought into force in summer of 2002. The Act will provide greater protection to children at risk of exploitation through enhanced counselling benefits and new protective measures for sexually-exploited youth. • Discussions are under way with the Solicitor General and Ministry of Children and Family Development on ways to fight child prostitution. • The *Parental Responsibility Act* has been in force since January 1, 2002. Solicitor General has responsibility for this legislation.

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Stand up for the equality of all Canadians and all provinces under the Canadian Constitution.	• All legislation is vetted by the Ministry of Attorney General.
Ensure that all B.C. laws respect the equality rights guaranteed to all British Columbians under the Constitution.	• All legislation is vetted by the Ministry of Attorney General.
Ensure all British Columbians have equal access to legal representation and justice.	• The Ministry of Attorney General is participating in the Justice Review Task Force. The task force is comprised of senior representatives from the ministry, the B.C. Supreme Court, the B.C. Provincial Court, the Law Society and the Canadian Bar Association. Its objective is to explore a wide range of reform ideas and initiatives aimed at enhancing access to justice and increasing the efficiency of the justice system. Task force participants will engage in mutual consultation respecting proposed administrative, procedural or program changes, and will co-ordinate initiatives where appropriate. • The Legal Services Society is implementing a new and sustainable service delivery model of 7 regional offices and 24 local agents, supported by a provincewide, toll-free telephone intake system, to safeguard the provision of core legal aid services.

Priority	Progress
Hold the line on court fees to ensure that everyone has affordable access to our justice system.	• Court fees have not increased.
Give all British Columbians a say on the principles that should guide B.C.'s approach to treaty negotiations and a one-time provincewide referendum.	• B.C. Referendum Office was established March 18, 2002. • A provincewide referendum was initiated.
Ask an all-party committee of the legislature to consult with British Columbians, including First Nations, to draft the referendum questions.	• Select Standing Committee on Aboriginal Affairs was tasked on August 27, 2001, with carrying out the consultation and making recommendations on issues related to the referendum questions. • Public hearings were held in 15 communities in all geographic areas of the province; 344 oral and written submissions were received; 482 people and organizations were heard. • Committee report and recommendations for questions were submitted to the Legislative Assembly November 30, 2001. • Referendum questions were approved by the Legislative Assembly on March 15, 2002.
Protect private property rights and prevent government from expropriating assets without fair compensation.	• Priority will be addressed by Principles 1 and 2 in the Referendum on Treaty Principles. Outcome of the referendum will be known in summer 2002. • Policy options will be developed to meet this priority.
Fully protect private property rights and resource tenure rights in treaty negotiations.	• This is in progress as part of the negotiations process, and is included as one of the proposed referendum principles.

Priority	Progress
Insist on equal, non-discriminatory voting rights for all Canadians in respect of governments that rule their lives.	• This priority will be addressed by Principle 6 in the Referendum on Treaty Principles. Outcome of the referendum will be known in summer 2002. • Policy options will be developed to meet this priority.
Work to ensure that all Aboriginal governments have the same legal status in B.C. as they do in every other province.	• Models of governance have been researched and are under development.
Work to expedite interim measures agreements with First Nations to provide greater certainty during treaty talks.	• Work is in progress through the negotiation process. • The province has entered into 28 interim measures agreements, at a cost of $2.6 million, to increase Aboriginal participation in the provincial economy.
Fast track treaty talks to conclude fair settlements.	• Recommendations for revitalizing the treaty process and achieving agreements have resulted from the tripartite review of the treaty process. • Focus will be on staged agreements leading to treaty settlements. • B.C. and Canada are pursuing a series of treaty-related measures to address First Nations' concerns about the availability of land and resources for treaties. • Seventeen new treaty-related measures were entered into; ten treaty-related measures were continued from the previous year; two treaty-related measures are being actively negotiated.
Offer to negotiate a delegated, municipal style of self-government with any First Nation that wants to move beyond the *Indian Act*.	• Letter sent June 2001 from the Premier to all First Nations, offering to negotiate a delegated municipal style of self-government with any First Nation in B.C. • Specific instructions to negotiators will flow from analysis of voter response to the referendum principle on this issue.

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Priority	Progress
Seek clear direction from the Supreme Court of Canada on constitutional questions about Aboriginal self-government.	• A decision has been made not to pursue litigation on these questions at this time. The province will consider participating in litigation when an appropriate case arises that involves these issues.
Introduce a legislative framework for legally respecting Aboriginal rights protected under the Constitution in the absence of treaties.	• Implementation of this commitment is under consideration with particular attention to recent court decisions that may affect the province's ability to enact such a framework.
Amend the recall and initiative legislation and make it more workable for British Columbians to hold MLAs more accountable and initiate referendums on issues of provincewide concern.	• Planning is under way.
Appoint a Citizens' Assembly for Electoral Reform that will be responsible for assessing all possible models for electing MLAs, including proportional representation, preferential ballots and first past the post.	• Planning is under way.
Citizens' Assembly will hold public hearings throughout B.C. and if it recommends changes to the electoral system, that option will be put to provincewide referendum.	• Planning is under way.

Priority	Progress
Ban all non-essential government advertising in the four-month period prior to the fixed election date to prevent any opportunity for partisan abuse of taxpayer-funded advertising.	• This commitment will be honoured by government during the 2005 election campaign.
Amend the *Election Act* to eliminate loopholes on disclosures of financial contributions to political parties to include donations of labour, as required in municipal elections.	• Amending legislation is planned for 2002.
Repeal the law that restricts third-party advertising during election campaigns.	• Amending legislation is planned for 2002.
Outlaw donations from charities to political parties.	• Amending legislation is planned for 2002.

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Performance Reporting

Overview

This section of the report identifies the objectives and strategies for each core business area of the Ministry of Attorney General. It provides information on the performance measures that indicate the ministry's progress in achieving its goals and objectives.

The measures included in this section may be augmented and improved in future. The previous fiscal year of April 1, 2001, to March 31, 2002, was a transition year during which ministries were reorganized, given significant new policy direction, and tasked with the responsibility of implementing the government's *New Era* commitments. As a result, many of the performance measures reported below are new. Others are still under development and will be added as Service Plans are updated.

For each performance measure in this section, information is given for the reporting period of June 5, 2001 to March 31, 2002, providing an update on activities since June 5, 2001. The status of each performance measure is also reported, including, where possible, trend data for the comparable approximately ten-month period of the previous fiscal year. This provides the most accurate comparisons by accounting for seasonal fluctuations in caseloads and counts.

Completed or continuing activities designed to meet ministry goals, business area objectives and strategies, and to inform the performance measures are identified as well.

Selection of Measures

The performance measures reported below fall into three categories.

- **Output Measures** represent the level of service provided by a program in attempting to achieve certain results.
- **Outcome Measures** focus on the desired results of government actions.
- **Efficiency Measures** relate to the costs of achieving successful outcomes.

All performance measures were reviewed in terms of several selection criteria. Before measures were approved, they had to meet the following four criteria.

- **Comprehensiveness:** The measures should cover all core business areas of the ministry where the ministry is trying to achieve results.
- **Understandability:** The measures should be clear and easily understood by the public, and should sufficiently explain how performance is being assessed.
- **Relevance:** The measures should provide information to help the ministry make better decisions.
- **Reliability:** The data used to inform the measures should be unbiased, complete and error-free.

Principal Data Sources

The Ministry of Attorney General strives to provide accurate and reliable data and continually endeavours to improve data quality and to strengthen the ministry's performance reporting.

One significant initiative recently completed was the provincewide rollout of JUSTIN, an integrated justice case-tracking computer system with links to all members of the criminal justice system (police, Crown, judiciary, courts and corrections). As of July 2001, JUSTIN was installed in approximately 400 offices throughout the province, replacing all of the separate and non-linked case-tracking systems previously used.

The benefits of JUSTIN include: greater use of common data definitions; improved statistical and management information; the ability to identify opportunities for establishing provincial standards and best practices; security and audit trails; and, increased public safety as a result of information availability.

Other data sources include surveys, published studies and reports, program-specific documents and electronic records, and in some cases, direct client feedback.

Core Business Areas and Performance Measures

Core Business Area: Community and Public Safety	
Objective: Strategies:	**PROCESS CRIMINAL CASES IN A TIMELY AND EFFICIENT MANNER WITHIN THREE LEVELS OF COURT** • Conduct timely charge assessments of allegations of criminal offences and timely criminal prosecutions • Increase appropriate referrals to Alternate Measures programs • Comply with criminal case flow management rules and Crown best business practices • Provide efficient, effective court administration, prisoner escort and court security support • Expand use of technology and innovative processes in the court system • Reform processes for handling disputed bylaw and traffic offences • Allocate legal aid resources proportional to the complexity and seriousness of the offence
Objective: Strategy:	**PROTECT THE COMMUNITY FROM HIGH-RISK AND VIOLENT OFFENDERS** • Make dangerous offender, long-term offender and recognizance applications when appropriate

Performance Measures	Actual June 5, 2001 to March 31, 2002	Status
Output Measures[1]		
# of locations and hours for criminal sittings at all levels of court	99 locations[2] 68 staffed 86,191 hours	• The number of hours for criminal sittings decreased to 86,191 during the reporting period, from 93,475 hours during the same approximately 10-month period in the previous year.
# of allegations of criminal offences assessed by provincial Crown prosecutors	76,137	• There are no comprehensive provincewide data prior to July 2001.
# of criminal cases concluded in all levels of court	105,218	• The number of criminal cases concluded increased to 105,218 during the reporting period, from 103,855 cases during the same approximately 10-month period in the previous year.
# of bylaw and traffic disputes concluded in provincial court	95,296	• The number of bylaw and traffic disputes concluded increased to 95,296, from 86,100 disputes during the same approximately 10-month period in the previous year.
# of dangerous offender applications made	11	• The number of dangerous offender applications decreased to 11 from 20 during the same approximately 10-month period in the previous year.
# of video-conferencing units at courts and correctional centres	59	• The number of units changed as new installations were completed throughout the year. • The provincial judiciary supports this initiative to promote access and reduce costs.

[1] Courts and Crown have no control over the number of, or nature of, new cases entering the justice system.

[2] As of March 31, 2002, there are 99 court locations that hear criminal cases; 96 of these hear civil and family cases. Sixty-eight of these locations are staffed.

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Outcome Measures		
% of accused persons eligible for Alternate Measures (AM) who are referred to AM	To be determined	• The Criminal Justice Branch has published the branch performance plan. A committee is currently in the process of defining the performance measures for the branch, one of which is this measure.

Efficiency Measures		
% of charge assessments completed per standard time period	To be determined	• The Criminal Justice Branch has published the branch performance plan. A committee is currently in the process of defining the performance measures for the branch, one of which is this measure.
% of criminal cases (excluding traffic) completed within 8 months [1]	72%	• The percentage of criminal cases (excluding traffic) completed within 8 months increased to 72% during the reporting period, from 69% during the same approximately 10-month period in the previous year.
Average # of appearances per completed case in provincial court	5.57	• The average number of appearances per completed case decreased to 5.57 during the reporting period, from 5.65 during the same approximately 10-month period in the previous year.

[1] Approximately 85% of criminal cases are initiated and prosecuted by provincial Crown Counsel.

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Core Business Area: Social and Economic Stability	
Objective: Strategies:	SUPPORT OPERATION OF THREE LEVELS OF COURT IN RESOLVING CIVIL AND FAMILY DISPUTES • Provide efficient, effective registry operations, court administration and court security support • Expand use of technology and innovative processes to facilitate case processing and disposition
Objective: Strategies:	PROMOTE OUT-OF-COURT DISPUTE RESOLUTION OPTIONS WITHIN THE CIVIL/FAMILY JUSTICE SYSTEM • Support public access to out-of-court services to resolve family justice issues • Create mechanisms to encourage or require disputes to go to mediation and other dispute resolution processes • Reduce demand for court services through dispute resolution services and mandatory referral to family justice counsellors for families undergoing separation and divorce • Reduce court hearing time by making recommendations on contested child access and custody cases • Support public access to mediation with trained mediators to resolve civil justice disputes

Performance Measures:	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
# of locations and hours for civil and family sittings at all levels of court	96 locations[1] 68 staffed 59,859 hours	• The number of locations and the number of staffed locations remain unchanged from the previous fiscal year. • The number of hours for civil and family sittings decreased to 59,859 hours during the reporting period, from 62,417 hours during the same approximately 10-month period in the previous year.
# of Family Justice Centres (FJCs)	30	• Unchanged from previous fiscal year.
# of communities served by FJCs	56	• Unchanged from previous fiscal year.
# of locations of FJCs with mandatory referral to family justice counselling services	6	• An additional Family Justice Centre was opened in Kelowna, increasing the number of locations from 5 in the previous fiscal year.
# of mediators on B.C. mediation roster	125	• Increase of 8 from the previous fiscal year.

[1] As of March 31, 2002, there are 99 court locations that hear criminal cases; 96 of these hear civil and family cases. Sixty-eight of these locations are staffed.

Outcome Measures		
% of scheduled court events for which staff are available	100%	• Unchanged from previous fiscal year.
% of small claims disputes settled through out-of-court dispute resolution options in 4 sites	60%[2]	• Unchanged from previous fiscal year.
Mean rate of satisfaction with civil dispute resolution processes in 4 sites (1 = very dissatisfied; 5 = very satisfied)	4.4[3]	• Unchanged from previous fiscal year.

[2] This measure is derived from early results at two sites only.

[3] This measure is derived from a user satisfaction survey administered as part of the Small Claims Mediation Practicum Project.

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Core Business Area: Lawful Government	
Objective: Strategies:	**PROVIDE HIGH-QUALITY LEGAL SERVICES TO MINISTRIES AND GOVERNMENT** • Use client satisfaction survey results to improve the legal services delivered • Increase use of dispute resolution in litigation
Objective:	**ADVISE THE GOVERNMENT ON CRIMINAL LAW MATTERS**
Objective: Strategies:	**DELIVER LEGAL SERVICES AS COST-EFFECTIVELY AS POSSIBLE** • Reduce litigation costs through technology and re-engineered business processes • Adopt more cost-effective service delivery models • Ensure that cost of legal services is competitive with other comparable public sector organizations • Develop policies and procedures in respect of new ways to administer criminal justice in British Columbia • Encourage efficiency by increasing client ministry accountability for legal services expenditures
Objective: Strategies:	**REDUCE THE PROVINCE'S EXPOSURE TO CIVIL LIABILITY AND CONTROL LIABILITY COSTS TO GOVERNMENT** • Improve existing risk-management practices, and introduce additional risk-management measures • Improve the effectiveness of litigation management
Objective: Strategies:	**RESPOND TO CLIENTS' CHANGING NEEDS FOR LEGAL SERVICES** • Improve the memorandum of understanding process with clients and develop appropriate levels of service • Provide client training in legal services • Use technology to provide current information and advice on emerging issues

Performance Measures:	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
# of legal years of services provided (legal counsel, legal assistants, students — internal and external)	218	• A legal year is calculated as 1,465 hours; this standard is currently under review.
Implementation of technology initiatives	One project completed; one program in implementation phase	• The Document Management System has been implemented. The system is designed to manage the collection of research documents for Aboriginal litigation and to manage large-scale cases where document volumes are high. • The Practice Management System design and acquisition of technology have been completed; implementation will be completed in fiscal year 2002/03. This is a new system to track and manage cases and to provide management information.
# of legal person-years involved in providing advice to the government on criminal law matters	To be determined	• The Criminal Justice Branch has published the branch performance plan. A committee is currently in the process of defining the performance measures for the branch, one of which is this measure.
Outcome Measures		
% of clients satisfied with services	91%	• A follow-up survey is planned for fiscal year 2002/03.

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Outcome Measures		
% of clients satisfied with services	91%	• A follow-up survey is planned for fiscal year 2002/03.

Efficiency Measures		
Blended average hourly cost of internal and external services	$110 per hour	• This measure is based on actual hours and outside counsel expenditures for fiscal year 2001/02.
Cost of legal services as compared with other jurisdictions	Base rate = $110 per hour; External rates to be determined	• A study to establish benchmarks for rates in other jurisdictions will be conducted in late 2002/03.

Core Business Area: Assisting the Vulnerable and Victims	
Objective: Strategy:	STRENGTHEN ENFORCEMENT OF FAMILY MAINTENANCE ORDERS TO REDUCE DEMAND FOR BC EMPLOYMENT AND ASSISTANCE • Focus program resources on assigned cases from the Ministry of Human Resources and on families who are dependent on maintenance to avert the need for BC Employment and Assistance
Objective: Strategies:	EXPEDITE THE RESOLUTION OF CHILD PROTECTION CASES • Provide funding for efficient delivery of legal services • Provide early settlement opportunities for child protection cases • Provide trained mediators for all voluntary child protection mediation requests • Establish a facilitated planning meeting process to reduce the proportion of child protection cases that go to contested hearings
Objective: Strategies:	SUPPORT ACCESS TO JUSTICE FOR VICTIMS OF VIOLENCE AND OTHER VULNERABLE PERSONS • Continue funding focused legal services for protection orders • Provide public information and education • Monitor legal aid resources for cost-effectiveness • Maximize the appropriate use of victim impact statements/information at sentencing

Performance Measures:	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
# of family maintenance enforcement orders assigned from Ministry of Human Resources (MHR)	12,391 assigned cases	• There was a monthly average of 12,391 cases assigned from MHR. It is anticipated that this number will decline due to a lower rate of referrals from MHR.
% of voluntary child protection cases for which trained mediators are available	100%	• Trained mediators for child protection cases remain available to all clients.
% of victim impact statements/informations received that are used at sentencing Since the person who enters the data into the system is unlikely to be in court at the time of sentencing, it is known that some actual presentations in court are not entered into the data pool.	60%	• The *Victim of Crime Act* (VOCA) requires that victims be given the opportunity to make a victim impact statement at the time of sentencing (conviction). As a result of consistent under-reporting of the actual presentations in court, this measure shows the minimum proportion of victim impact statements that are used at sentencing.
Outcome Measures		
Rate of child support payments received through enforcement	**$0.79 on each dollar due**	• **The rate of child support payments received through enforcement was $0.79 during the reporting period, compared with the forecasted $0.78.**
Efficiency Measures		
Cost of collection of family maintenance per dollar recovered	$0.10	• The cost of collection of family maintenance per dollar recovered was $0.10 during the reporting period, compared with the forecasted $0.11

Core Business Area: Assisting the Vulnerable and Victims	
Objective: Strategy:	**Strengthen enforcement of family maintenance orders to reduce demand for BC Employment and Assistance** • Focus program resources on assigned cases from the Ministry of Human Resources and on families who are dependent on maintenance to avert the need for BC Employment and Assistance
Objective: Strategies:	**Expedite the resolution of child protection cases** • Provide funding for efficient delivery of legal services • Provide early settlement opportunities for child protection cases • Provide trained mediators for all voluntary child protection mediation requests • Establish a facilitated planning meeting process to reduce the proportion of child protection cases that go to contested hearings
Objective: Strategies:	**Support access to justice for victims of violence and other vulnerable persons** • Continue funding focused legal services for protection orders • Provide public information and education • Monitor legal aid resources for cost-effectiveness • Maximize the appropriate use of victim impact statements/information at sentencing

Performance Measures:	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
# of family maintenance enforcement orders assigned from Ministry of Human Resources (MHR)	12,391 assigned cases	• There was a monthly average of 12,391 cases assigned from MHR. It is anticipated that this number will decline due to a lower rate of referrals from MHR.
% of voluntary child protection cases for which trained mediators are available	100%	• Trained mediators for child protection cases remain available to all clients.
% of victim impact statements/informations received that are used at sentencing Since the person who enters the data into the system is unlikely to be in court at the time of sentencing, it is known that some actual presentations in court are not entered into the data pool.	60%	• The *Victim of Crime Act* (VOCA) requires that victims be given the opportunity to make a victim impact statement at the time of sentencing (conviction). As a result of consistent under-reporting of the actual presentations in court, this measure shows the minimum proportion of victim impact statements that are used at sentencing.
Outcome Measures		
Rate of child support payments received through enforcement	$0.79 on each dollar due	• The rate of child support payments received through enforcement was $0.79 during the reporting period, compared with the forecasted $0.78.
Efficiency Measures		
Cost of collection of family maintenance per dollar recovered	$0.10	• The cost of collection of family maintenance per dollar recovered was $0.10 during the reporting period, compared with the forecasted $0.11.

Core Business Area: Independent Judiciary	
Objective: Strategies:	**PROVIDE SUPPORT FOR CONTINUED OPERATION OF THE INDEPENDENT JUDICIARY**[1] • Support the Provincial Court's criminal case flow management process and rules, and any initiatives aimed at improving case flow management • Support the Provincial Court's justice centre • Support the independent Judicial Compensation Committee process • Support the independent Judicial Justice of the Peace Compensation Committee process • Support the Supreme Court's reforms for expedited case processing and electronic justice services • Support judicial initiatives respecting improved trial scheduling

Performance Measures:	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
Provincial Court sitting hours[2]	98,546	• Provincial Court sitting hours decreased to 98,546 during the reporting period, from 104,678 hours during the same approximately 10-month period in the previous year
Supreme Court sitting hours	45,410	• Supreme Court sitting hours decreased to 45,410 during the reporting period, from 48,996 hours during the same approximately 10-month period in the previous year
Court of Appeal sitting hours	2,094	• Court of Appeal sitting hours decreased to 2,094 during the reporting period, from 2,218 hours during the same approximately 10-month period in the previous year

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[1] There are currently 145 Provincial Court Judges, 100 Supreme Court Justices, 14 Masters and 20 Court of Appeal Justices in B.C.

[2] The ministry supports the judiciary primarily through providing registry operations, court administration, prisoner escort and court security. Actual court hours depend upon the volumes and characteristics of incoming cases. Sitting hours include only judges' time spent in hearings or trials, not pre- and post-court activities.

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Core Business Area: Aboriginal Negotiation and Litigation	
Objective: Strategies:	**PROVIDE HIGH-QUALITY LEGAL SERVICES IN ABORIGINAL LAW MATTERS** • Use client satisfaction survey results to improve the legal services delivered • Increase use of dispute resolution in litigation
Objective: Strategies:	**DELIVER LEGAL SERVICES AS COST-EFFECTIVELY AS POSSIBLE** • Use technology and re-engineered business processes to reduce costs • Adopt more cost-effective service delivery models

Performance Measures	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
Legal years of service provided for Aboriginal law matters (lawyers, legal assistants, researchers — internal and external)	34	• A legal year is calculated as 1,465 hours; this standard is currently under review.
# of cases using alternate dispute resolution	To be determined	• Information will be available following implementation of Practice Management System technology, a new system to track and manage cases and to provide management information. • Implementation of the system will be complete by the end of fiscal year 2002/03.
Implementation of technology initiatives	Project complete	• The implementation of document management technology is complete. • The system is designed to manage the collection of research documents for Aboriginal litigation and to manage large-scale cases where document volumes are high.
Outcome Measures		
% of clients satisfied with services	To be determined	• A specific measure for Aboriginal law/litigation is not currently available; however, a baseline measure will be obtained through a client survey to be conducted during fiscal year 2002/03.
Efficiency Measures		
Blended average hourly cost of internal and external services	$101	• The rate is lower than the average rate for the Legal Services Branch as Aboriginal litigation uses a higher ratio of legal assistants and researchers in its staff.

Core Business Area: Statutory Special Accounts and Agencies, Boards and Commissions (ABCs)	
Objective: Strategies:	**PROVIDE ADMINISTRATIVE AND POLICY SUPPORT TO MINISTRY AGENCIES, BOARDS AND COMMISSIONS** • Manage appointment process for agencies, boards and commissions associated with the Ministry of Public Safety and Solicitor General and the Ministry of Attorney General • Manage historical database for Ministry of Attorney General and Ministry of Public Safety and Solicitor General Ministerial Order and Order-in-Council appointments • Improve the efficiency and effectiveness of ABCs in reaching their program objectives
Objective: Strategy:	**PROVIDE ADMINISTRATIVE SUPPORT FOR ALL COMMISSIONS OF INQUIRY, INTERMITTENT COMMITTEES, AND SPECIAL PROJECTS** • Provide contract management, logistical and administrative support for identified statutory bodies (e.g., commissions of inquiry, Electoral Boundaries Commission, Judicial Compensation Committee) and to major project initiatives such as the Administrative Justice Project and the Pay Equity Task Force

Performance Measures	Actual June 5, 2001 to March 31, 2002	Status
Outcome Measures		
% of appointment vacancies filled	**89%**	**• The measure reported here will establish a baseline for future comparisons.** **• Some appointments were delayed while the core services review was completed.**
Efficiency Measures		
% of appointment packages sent to minister at least one month before expiry	82%	• The measure reported here will establish a baseline for future comparisons.
% of contracts in place within 30 days of direction to contract	90%	• The measure reported here will establish a baseline for future comparisons.
% of invoices processed within 60 days of receipt	96%	• The measure reported here will establish a baseline for future comparisons.

Core Business Area: Aboriginal Negotiation and Litigation	
Objective: Strategies:	**PROVIDE HIGH-QUALITY LEGAL SERVICES IN ABORIGINAL LAW MATTERS** • Use client satisfaction survey results to improve the legal services delivered • Increase use of dispute resolution in litigation
Objective: Strategies:	**DELIVER LEGAL SERVICES AS COST-EFFECTIVELY AS POSSIBLE** • Use technology and re-engineered business processes to reduce costs • Adopt more cost-effective service delivery models

Performance Measures:	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
Legal years of service provided for Aboriginal law matters (lawyers, legal assistants, researchers — internal and external)	34	• A legal year is calculated as 1,465 hours; this standard is currently under review.
# of cases using alternate dispute resolution	To be determined	• Information will be available following implementation of Practice Management System technology, a new system to track and manage cases and to provide management information. • Implementation of the system will be complete by the end of fiscal year 2002/03.
Implementation of technology initiatives	Project complete	• The implementation of document management technology is complete. • The system is designed to manage the collection of research documents for Aboriginal litigation and to manage large-scale cases where document volumes are high.
Outcome Measures		
% of clients satisfied with services	To be determined	• A specific measure for Aboriginal law/litigation is not currently available; however, a baseline measure will be obtained through a client survey to be conducted during fiscal year 2002/03.
Efficiency Measures		
Blended average hourly cost of internal and external services	$101	• The rate is lower than the average rate for the Legal Services Branch as Aboriginal litigation uses a higher ratio of legal assistants and researchers in its staff.

Core Business Area: Statutory, Special Accounts and Agencies, Boards and Commissions (ABCs)	
Objective: Strategies:	**PROVIDE ADMINISTRATIVE AND POLICY SUPPORT TO MINISTRY AGENCIES, BOARDS AND COMMISSIONS** • Manage appointment process for agencies, boards and commissions associated with the Ministry of Public Safety and Solicitor General and the Ministry of Attorney General • Manage historical database for Ministry of Attorney General and Ministry of Public Safety and Solicitor General Ministerial Order and Order-in-Council appointments • Improve the efficiency and effectiveness of ABCs in reaching their program objectives
Objective: Strategy:	**PROVIDE ADMINISTRATIVE SUPPORT FOR ALL COMMISSIONS OF INQUIRY, INTERMITTENT COMMITTEES, AND SPECIAL PROJECTS** • Provide contract management, logistical and administrative support for identified statutory bodies (e.g., commissions of inquiry, Electoral Boundaries Commission, Judicial Compensation Committee) and to major project initiatives such as the Administrative Justice Project and the Pay Equity Task Force

Performance Measures	Actual June 5, 2001 to March 31, 2002	Status
Outcome Measures		
% of appointment vacancies filled	**89%**	**• The measure reported here will establish a baseline for future comparisons.** **• Some appointments were delayed while the core services review was completed.**
Efficiency Measures		
% of appointment packages sent to minister at least one month before expiry	82%	• The measure reported here will establish a baseline for future comparisons.
% of contracts in place within 30 days of direction to contract	90%	• The measure reported here will establish a baseline for future comparisons.
% of invoices processed within 60 days of receipt	96%	• The measure reported here will establish a baseline for future comparisons.

Core Business Area: Corporate Services for Ministry of Attorney General and Ministry of Public Safety and Solicitor General[1]	
Objective: Strategies:	**SUPPORT THE OPERATIONAL BRANCHES OF THE MINISTRIES AND THEIR ASSOCIATED AGENCIES, BOARDS AND COMMISSIONS** • Provide administrative, research, analytical and business planning support • Review appeals, investigate complaints and inspect corrections and court services facilities to ensure compliance with standards, policies, legislation and regulations • Develop secure and effective operational and management information systems, and improve access to electronic information • Ensure that staff are well trained and that key positions and appointments are filled • Provide financial management services and resource analysis • Protect personal privacy while providing public access to records
Objective: Strategies:	**PROVIDE CORPORATE POLICY AND SECRETARIAT SERVICES TO MINISTERS AND DEPUTIES** • Provide policy analysis and advice on inter-ministerial and inter-governmental developments in criminal, civil and family justice, human rights, administrative law, consumer protection and justice statistics initiatives • Represent the province at federal-provincial-territorial tables addressing justice and human rights issues • Respond to inquiries from MLAs and the public
Objective: Strategies:	**PREPARE FOR AND MANAGE STRATEGIC SHIFTS IN PROGRAMS AND POLICIES** • Develop policy, legislative and implementation plans associated with the core review, the Administrative Justice Project, *New Era* commitments and broad government directions • Monitor the performance of all programs and the ministries' progress towards long-term goals • Ensure that staff are supported and transitions to new organizational structures proceed smoothly • Restructure the human rights system and agencies that oversee government services to children and youth • Develop and enact private law and civil liability reforms

Performance Measures	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
FIGARO application implemented	Initiation and requirements gathering	• The project is in progress and has moved into the development phase of the systems development lifecycle. • It is anticipated that the application will move into the testing phase with implementation scheduled for later in the 2002/03 fiscal year.
Interface between the PRIME BC and JUSTIN applications implemented	Initiation and requirements gathering	• A contractor has been selected to begin development of the interface between the PRIME BC system and JUSTIN. • It is anticipated that testing will begin in July 2002 with implementation scheduled for later in the 2002/03 fiscal year.
# of completed investigations of complaints regarding corrections and courts facilities	554	• The number of completed investigations of complaints increased to 554 during the reporting period, from 485 during the same approximately 10-month period in the previous fiscal year.

[1] Since effective and efficient Corporate Services are prerequisites for achieving success in all business areas, the key performance measures for Corporate Services are those associated with strategies found throughout the Service Plans of both ministries. The additional measures shown here are meant to help the reader understand the nature and scope of activities under the heading of Corporate Services.

Plain language modernization of the *Residential Tenancy Act* implemented	In progress	• The ministry redrafted the Act and posted major policy issues on the Internet in early December 2001 for stakeholder and public input (1,500 submissions were received). • Consultations with key stakeholder groups were held in December 2001 and January 2002. • Redrafting of the Act is under way, taking the submissions received and government policy direction into account.
Provision to encourage parental responsibility for children who commit property crimes	Complete	• The *Parental Responsibility Act* has been in force since January 2002.
Reduction in regulatory requirements for businesses, the public and government[2]	MAC — reduction of 7 requirements; MPSSG — reduction of 589 requirements[3]	• Additional plans are under way to further identify and reduce unnecessary regulatory requirements.
# of memoranda of understanding (MOUs) in place to enhance ministry accountability for agencies, boards and commissions	0	• Implementation delayed due to core service review.
Elections Act reforms enacted	In progress	• Amending legislation planned for 2002.
Administrative Justice Project results implemented	In progress	• The ministry reviewed 67 administrative justice agencies and examined fundamental questions about the nature, quality and timeliness of services that these agencies offered. As a result of the first phase of this review, 33 of the 67 agencies are being restructured. • A White Paper will be released in July 2002.
Development of private law reform program	In progress	• A framework has been prepared for and approved by the Attorney General.
Civil liability reform	In progress	• A consultation paper and questionnaire have been issued with a deadline for public comment of October 1, 2002. • Some consultation with stakeholders has been held and further consultations are planned. • Legislation planned for 2003

[2] Corporate Services is responsible for deregulation in both the Ministry of Attorney General and the Ministry of Public Safety and Solicitor General.

[3] These figures are based on figures published by the Deregulation Office. These figures as well as the original count numbers are under review.

Treaty Negotiations Office

Core Business Area: Negotiations and Implementation	
Objective: Strategies:	**CLARIFY ABORIGINAL RIGHTS AND TITLE TO ESTABLISH GREATER LEGAL CERTAINTY** • Following the referendum, develop negotiation options and models that allow for choice on how to deal with the land question; reach agreement with Canada and First Nations • Following the referendum, develop a policy framework for practical governance arrangements for First Nations
Objective: Strategies:	**SUPPORT GOVERNMENT'S MAJOR ECONOMIC PRIORITIES** • Engage First Nations in economic opportunities (oil and gas exploration and development, 2010 Olympic Bid, forestry, Central Coast initiatives) • Facilitate public/private partnerships between First Nations, business, and local government • Implement proactive strategy to address First Nations disputes
Objective: Strategies:	**ENHANCE PUBLIC SUPPORT FOR GOVERNMENT'S APPROACH TO TREATY-MAKING** • Analyze and implement referendum results • Deal fairly with legal interests impacted by negotiations • Consult with local governments and stakeholders
Objective: Strategies:	**FULFIL OBLIGATIONS ARISING FROM TREATY SETTLEMENTS AND OTHER NEGOTIATED AGREEMENTS** • Ensure Treaty Negotiations Office obligations are met within established timelines and support line agencies in meeting their obligations • Implement Nisga'a Final Agreement Adjustment Project

Performance Measures	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
# of significant treaty-related agreements	To be determined	• The performance target is to complete 3 to 4 agreements in fiscal year 2002/03. • The parameters for defining significant treaty-related agreements are under development.
# of agreements focusing on economic priorities	To be determined	• Funding for agreements is contingent on approval of the business plan for the Economic Measures Fund. • This is a new initiative; there are no baseline data.
# of First Nations engaged in governance negotiations	To be determined	• The provincial approach to governance negotiations will be guided by the outcome of the related referendum principles. • This is a new approach; there are no baseline data.
# of consultation meetings held with local governments and stakeholders on key issues	To be determined	• The approach to consultation changed due to elimination of provincial funding for advisory committees. The new approach is more limited and focused, operating on an as-needed basis. • A data collection process is to be established.
# of First Nations citizens engaged in training opportunities	To be determined	• Training opportunities are dependent on approval of the Economic Measures Fund. • A new data collection process is to be established.

Outcome Measures		
Negotiated agreements reflect referendum principles	To be determined	- This measure is pending outcome of the public response to the referendum principles.
Incidence of rights or title litigation	15	- This measure represents the number of cases where a writ or petition was filed or served.
Incidence of direct action/blockades	38	- These range from acts of civil disobedience to criminal acts; 25 of these incidents took place at Sun Peaks.

Report on Resources

It is required that financial information for this report be organized according to the Estimates that were presented to the Legislative Assembly on July 30, 2001. The Ministry's core business areas were established after that date. Therefore, the information below is not presented according to the core business areas described earlier in this report. All figures below have been rounded. Any discrepancy in the totals may be due to rounding.

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Minister's Office	418	0	418	396	22
Corporate Services	46,863	9,157	56,020	55,495	526
Court Services	137,979	3,424	141,403	143,045	(1,642)
Legal Services	25,593	1,430	27,023	27,404	(381)
Criminal Justice	82,063	280	82,343	79,271	3,072
Justice Services	106,064	16,540	122,604	124,974	(2,370)
Agencies, Boards & Commissions	19,604	1,011	20,615	19,843	772
Treaty Negotiations Office	45,535	0	45,535	25,179	20,356
Statutory Services	33,008	0	33,008	5,683	27,325
Judiciary	45,621	4,141	49,762	49,762	0
Special Account – Public Guardian & Trustee of BC	9,614	(56)	9,558	9,558	0
Total	**552,362**	**35,928**	**588,290**	**540,609**	**47,681[3]**

[1] The "Estimated" amount corresponds to the Estimates as presented to the Legislative Assembly on July 30, 2001.

[2] "Other Authorizations" represent funding from the Contingencies (all ministries) and New Programs vote approved by Treasury Board on March 20, 2002.

[3] The ministry is required to ensure that actual spending on an overall basis is covered off by voted funds and other authorized funds. Individual programs may have surpluses or deficits that contribute to the bottom line positive balance.

	Estimated	Other Authorizations	Total	Actual	Variance
Full-time Equivalents (FTEs)					
Total	**3,837**	**0**	**3,837**	**3,749**	**88**
Ministry Capital Expenditures					
Information Systems	10,240	111	10,351	12,292	(1,941)
Other	13,952	955	14,907	11,981	2,926
Total	**24,192**	**1,066**	**25,258**	**24,273**	**985**
Consolidated Capital Plan Expenditures[4]					
Courthouses	5,800	746	6,546	4,996	1,550
Total	**5,800**	**746**	**6,546**	**4,996**	**1,550**
Other Financing Transactions (Net Disbursements)[5]					
Interest on Trusts and Deposits	957	184	1,141	1,141	0
Treaty Settlement and Implementation Costs	3,973	0	3,973	2,311	1,662
Total	**4,930**	**184**	**5,114**	**3,452**	**1,662**

[4] On October 11, 2001, the Ministry of Attorney General received approval to carry over $0.746 million in its Capital Expenditure Limit from 2000/01 to 2001/02, increasing its limit to $6.546 million.

[5] Source: Public Accounts 2001/02.

Appendices

Appendix I: Glossary

Administrative Justice Project: A review of the administrative justice system within B.C. is being undertaken with the objectives of ensuring that: administrative agencies meet the needs of the people they serve; their administrative processes are open and transparent; their mandates are current and relevant; and government fulfils its obligations by providing the legislative and policy framework administrative agencies require to carry out their mandates effectively.

Alternate Dispute Resolution (ADR): When the term ADR first appeared, it meant 'alternative dispute resolution'; however, in recent years it has come to mean 'appropriate dispute resolution'. The change in language reflects a change in perspective. Dispute resolution options are not alternatives to, or opposed to, the litigation process. Rather, dispute resolution options range along a continuum from collaborative, non-binding processes like mediation to binding arbitration and litigation processes. People attempting to resolve disputes can consider the range of dispute resolution options and select the one most appropriate to the situation.

Alternate Measures (AM): AM diverts low-risk offenders from the traditional court system to a process that allows more personal restitution to victims and communities. AM programs for adult offenders are managed by the ministry through contracts with community agencies.

CORNET: An electronic, integrated offender-management information system.

Criminal Case Flow Management (CCFM): CCFM is a court reform developed and led by the Provincial Court judiciary with the goals of ensuring that cases are concluded in a more timely and just manner, with greater certainty in scheduling, and that Crown and defence have had meaningful discussions both at an early phase of the process and continuing throughout. Rules applicable to cases in British Columbia have been created under the Criminal Code of Canada and have been in effect since 1999.

Dangerous Offender (DO): An offender who has been convicted of a serious personal injury offence and who is usually sentenced to an indeterminate period of incarceration with periodic parole review.

Electoral Boundaries Commission: The function of the commission is to make proposals to the Legislative Assembly as to the area, boundaries and names of the electoral districts of B.C.

Facilitated Planning Meeting: A voluntary, facilitated meeting that focuses on preparing a plan to ensure the safety of children who have been apprehended by social service agencies but whose parents are contesting the apprehension. The goal of the meeting, and its preceding orientation session, is to resolve as many issues as possible in a collaborative manner and reduce the number of cases going to contested hearings.

Family Justice Counsellors (FJCs): FJCs are available in many areas to help families needing assistance with separation and divorce issues like child custody, access and guardianship, child and spousal support.

FIGARO: An electronic, integrated licensing and financial management information system covering security programs, gaming audit and film classification areas.

High-Risk Offender: Offenders who are defined as high-risk are those who have been assessed by correctional and probation officers as presenting a high risk to re-offend. By screening offenders against factors that are predictive of re-offending, Corrections Branch identifies the offenders who require the most intervention (i.e., higher frequency of supervision and more programming).

Integrated Justice: Seamless information sharing between independent agencies in the justice system.

Judicial Compensation Committee (JCC)/Judicial Justice of the Peace Compensation Committee (JJCC): The JCC is an independent committee appointed every three years in accordance with the *Provincial Court Act* to review and make recommendations to the Legislative Assembly on salaries, pensions and other benefits provided to Provincial Court judges in B.C. The JJCC is a separate committee that makes recommendations on compensation for judicial Justices of the Peace.

JUSTIN: An electronic, integrated case-tracking computer system used throughout the province, with links to all members of the criminal justice system (police, Crown, judiciary, courts and corrections).

Knowledge Management: The strategic use of information and knowledge resources to an organization's best advantage.

Legal Year of Service/Legal Person Year: A legal year of service is defined as 1,465 hours of work performed by a lawyer, legal assistant, law student or researcher doing work directly related to legal services to government.

Management Information System (MIS): A computer system that presents high-level summary information to assist management decision-making.

Nisga'a Final Agreement Adjustment Project: The Treaty Negotiations Office operates an adjustment project for workers or small business owners who are negatively impacted as a direct result of the Nisga'a Final Agreement and are not eligible for other provincial, federal or Nisga'a Lisims government programs.

Pay Equity Task Force: An independent review of pay equity in B.C. is being conducted to determine the extent to which current Canadian models of pay equity legislation are an effective and efficient response to sex-based wage disparity in the private sector.

PRIME BC: An electronic records management system that will link all police department information across the province and improve the ability of police to solve major crime.

Protection Orders: A protection order is an order containing a condition (e.g., "no contact") that affords safety and security to a specified (named) person or persons. A protection order may be made in Provincial Family Court, Criminal Court or Supreme Court.

Appendix II: Other Official Ministry and Justice Information

The following list of Internet Web site addresses are justice-related sites where additional information can be found on a range of topics. The names of the organizations and a brief description of the contents of the sites are provided. Links to other Internet sites are given for reader convenience and do not constitute endorsement of the information at those sites. The Ministry of Attorney General accepts no responsibility for material contained in any site that is linked to the official ministry Internet site, or in any other listed site.

http://www.gov.bc.ca/ag/
Ministry of Attorney General and Minister Responsible for Treaty Negotiations
Contains information about programs and services and key ministry initiatives such as the Civil Liability Review, the Administrative Justice Project and the Report of the Task Force on Pay Equity. There are also links to current news releases and to ministry branches and departments.

http://www.gov.bc.ca/tno/
Treaty Negotiations Office
A direct link to Treaty Negotiations Office programs and services. Provides access to key initiative reports such as the Nisga'a Implementation Report and the Tripartite Working Group Report.

http://www.gov.bc.ca/tno/links/
Links to other sites related to treaty negotiations.

http://www.ag.gov.bc.ca/abc
Agencies, Boards and Commissions (ABCs)
Links to ABCs, including the B.C. Human Rights Tribunal, the Children's Commission, the Expropriation Compensation Board and the Public Guardian and Trustee.

http://www.ag.gov.bc.ca/dro/
Ministry of Attorney General — Dispute Resolution Office (DRO)
The DRO develops and promotes non-adversarial dispute resolution options within the justice system. Options such as mediation can provide an opportunity for the early settlement of disputes and are less expensive than litigation. This site includes links to publications on dispute resolution and mediation, alternative dispute resolution policy, regulations, program descriptions and evaluations, mediation organizations and the B.C. Mediator Roster Society.

http://www.ag.gov.bc.ca/family-justice
Ministry of Attorney General — Family Justice Services
This site provides general information about issues of interest to B.C. couples who have separated or who are about to separate, as well as to guardians and other family members, such as grandparents, who may be involved in making decisions about the family and its future. The site is organized by topic and pull-down menus for easy selection. Topics include: basics of family law (e.g., custody, access and support); dispute resolution options (e.g., mediation, legal advice, court, family safety); programs and people who can help (e.g., family justice counsellors, Parenting After Separation Program, family maintenance enforcement, Legal Services Society); and, other resources (e.g., legal terms, court rules and forms, office contact information).

http://www.gov.bc.ca/pssg/
Ministry of Public Safety and Solicitor General
Provides links to ministry key initiatives, latest news, programs and services, ministry branches and departments and an extensive reports and publications list.

http://www.legis.gov.bc.ca/
Legislative Assembly of British Columbia
Includes information on current and previous legislative sessions, legislation and MLAs. Also provides a link to an on-line tour of the Legislative Chamber.

http://www.courts.gov.bc.ca/
B.C. Superior Courts
Provides the public and the media with timely access to reasons for judgments and information on the B.C. superior courts. Also provides links to the B.C. superior courts judiciary, the Court of Appeal of B.C., the Supreme Court of B.C., the Court of Appeal reasons for judgment database, and the Supreme Court reasons for judgment database.

http://www.provincialcourt.bc.ca
B.C. Provincial Court
As the first level of court in British Columbia, the court's jurisdiction includes criminal, family, child protection, small claims, and traffic cases. This site provides a description of court, judicial officers and council. It also contains links to news and references, a judgment database, criminal and youth matters, family matters, small claims matters, traffic and bylaw matters and a court locations map.

http://www.qp.gov.bc.ca/bcstats
Revised Statutes British Columbia
Provides links to all B.C. legislation.

http://www.bcli.org/
B.C. Law Institute
The B.C. Law Institute is a society incorporated to promote the clarification and simplification of the law and its adaptation to modern social needs, promote improvement of the administration of justice and respect for the rule of law, and promote and carry out scholarly legal research. This site contains information about the institute, publications, legal resources and B.C. law reform.

http://www.pep.bc.ca/
Provincial Emergency Program (PEP)
Provides information about PEP, hazard preparedness and planning, emergency management and disaster financial assistance.

http://www.dir.gov.bc.ca/
BC Government Directory
A searchable directory of all B.C. government offices; search by person, organization or organizational unit.

http://www.dir.gov.bc.ca/
Intergovernmental On-Line Information Kiosk
Part of the Treasury Board of Canada Secretariat, this site makes information available to the public on programs and initiatives, including "Government On-Line," the Government of Canada's initiative to provide information and services on the Internet by 2005.

http://www.jibc.bc.ca/
Justice Institute of B.C.
The institute is a training organization that targets improved justice and public safety services and safer communities. This site provides course and conference listings and an on-line student learning centre.

http://www.vcn.bc.ca/lssbc/
Legal Services Society (LSS)
This site provides descriptions of LSS services and access to publications arranged by topic.

http://www.mediator-roster.bc.ca/
B.C. Mediator Roster Society
The roster is a list of qualified mediators available to lawyers, judges, government agencies and any other organization or individual who wishes to resolve disputes using mediation. This site provides information about the roster, rules of mediation, events and a discussion forum.

http://www.bcstats.gov.bc.ca/
B.C. Stats
B.C. Stats is the central statistical agency of British Columbia, providing statistical products, services and expertise. This site contains links to statistical bureaus in other Canadian provinces and many other countries.

http://www.statcan.ca/
Statistics Canada
This site provides Canadian statistics on justice and crime, victims, suspects, criminals, police and the courts.

http://www.sgc.gc.ca/
Solicitor General, Government of Canada
This site contains information about the Solicitor General portfolio, including national security, policing and law enforcement, corrections, the National Parole Board, public safety and Aboriginal policing.

http://canada.justice.gc.ca/
Department of Justice Canada
This site provides information about the department's mission and portfolio, including criminal justice policy at the federal level.

http://www.crime-prevention.org
National Crime Prevention Centre
This is a federal government site containing information about the crime prevention business network, projects, programs and services and publications. It presents the National Strategy on Community Safety and Crime Prevention, which is aimed at reducing crime and victimization by addressing their root causes through a social development approach.

http://laws.justice.gc.ca
Criminal Code of Canada — Department of Justice Canada
This site provides a searchable list of Canada's Consolidated Statutes and Regulations, including the Criminal Code.

http://canada.justice.gc.ca/en/ps/sup/index.html
Child Support Guidelines — Department of Justice Canada
This site describes child support laws in effect since May 1997 and provides links to related news, general information and provincial and territorial enforcement programs.

http://www.rcmp-grc.gc.ca/
Royal Canadian Mounted Police (RCMP)
This site provides information about the RCMP and their programs and services and provides links to related news.

http://www.acjnet.org/
Access to Justice Network (ACJNet)
This is an electronic community that brings together people, information, and educational resources on justice and legal issues of interest to Canadians. ACJNet is dedicated to making law and justice resources available to all Canadians in both official languages.

Ministry of
Children and Family
Development

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

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Development**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Children and Family Development
Annual Report. — 2001/02 -

Annual.
"A new era update"
Also available on the Internet
Report year ends Mar. 31.
Continues: British Columbia. Ministry for Children and Families. Annual performance report. ISSN 1499-7355.
ISSN 1703-3012 = Annual Report - British Columbia. Ministry of Children and Family Development

1. British Columbia. Ministry of Children and Family Development - Periodicals. 2. Children - Services for - British Columbia - Periodicals. 3. Family services - British Columbia - Periodicals. 4 Child welfare - Government policy - British Columbia - Periodicals. I. Title.

HV745.B7B74 353.53'31'0971105 C2002-960119-3

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Published by the Ministry of Children and Family Development
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Children and Family Development Annual Report was prepared under my direction and I am accountable for the results the ministry has achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

The Honourable Gordon Hogg
Minister of Children and Family Development

Date: June 10, 2002

Minister of State Accountability Statement

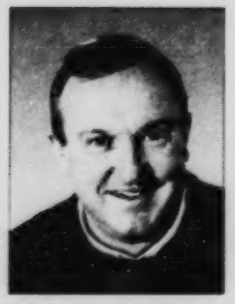
I am the Minister of State responsible for Early Childhood Development and, as such, I am accountable for the basis on which that portion of the Annual Report was prepared, and the results achieved since June 5, 2001.

The Honourable Linda Reid
Minister of State for Early Childhood Development

Date: June 10, 2002

BRITISH COLUMBIA

Ministry of Children and Family Development



It is an honour for me to reflect back over the past several months and see the successes, challenges and opportunities experienced by the new Ministry of Children and Family Development. This period marked the beginning of real and unprecedented change, as we began a three-year transition to community-based governance. The changes will help ensure that key programs and services are sustainable in the future for the most vulnerable children and families and adults with developmental disabilities in B.C.

The ministry made a variety of significant achievements from June 5, 2001 to March 31, 2002, including:

- Reviewing ministry programs and policies against the best available research, practice models, and experience; establishing a new mandate, mission, values and principles; and reorganizing the ministry to help meet our commitment to effect positive change.
- Marking the beginning of a power shift for the ministry, from centralized decision-making to decentralized decision-making and planning — a shift towards community governance. A key component of this was the development of six strategic shifts which will guide the way we conduct our business. Communities have what Harvard University's Robert Putnam, one of the most influential academics in the world today, calls 'social capital' — the ability to effect change.
- Honouring the strategic shift of promoting family and community capacity to protect children and to support child and family development by planning initiatives to reduce the number of children taken into care using less disruptive options. Bill 17, the *Child, Family and Community Service Amendment Act 2002*, helps clarify and strengthen the old legislation, enabling staff to better serve children and youth at risk by reducing unnecessary administrative burdens, maximizing family and community resources and helping to enhance protection for those who need it. Kith and kin agreements and family conferences will enhance family and community participation in planning for a child at risk at home.
- Integrating the strategic shift of open and accountable relationships into our day-to-day work. We developed an interactive web site, MCFD Change, as a place for citizens, stakeholder groups and ministry staff to be involved in our transformation process. The web site mirrors the four major transformation groups we have created to guide us over the next three years. The Child and Family Development and Aboriginal Child and Family Development, Community Living Services, Corporate Infrastructure and Corporate Accountability transformation groups have each established a steering committee with representatives from service sectors, individuals who have received related services, family members, caregivers and others, to ensure a truly representative and participatory transition allowing for innovation, flexibility and choice.

I have greatly appreciated the dialogue provided by thousands of citizens across the province, who share our commitment to supporting healthy communities and families. I look forward to our future work and discussions towards our mutual goals.

The Honourable Gordon Hogg
Minister of Children and Family Development

BRITISH COLUMBIA

Ministry of Children and Family Development

It has been an honour, as the first Minister of State for Early Childhood Development in Canada, to serve this province during the past 10 months of fiscal 2001/02. I share Premier Campbell's commitment to bringing about real and positive change for many thousands of young children and their families in British Columbia.

In 2001/02, we set a foundation towards British Columbia becoming a national leader in Early Childhood Development programs. Currently, there are over 270,000 British Columbians aged from zero to six years. Emerging research confirms the crucial importance of early life experiences, the brain's development, and the key role of early relationships in later life successes. The abundance of evidence affirms that investment in Early Childhood Development is critical to a child's future success throughout school and in adulthood. For children with special needs, the importance of early identification, intervention and quality care is even stronger to help ensure positive outcomes that can last a lifetime.

With government and the ministry affirming Early Childhood Development as a key priority, the ministry began and/or continued a diverse array of initiatives in this area, including:

- Announcing our plan to provide individualized funding for children under six years diagnosed with autism, to provide families with more treatment choices.
- Expanding access to the Infant Development Program and Family Resource Centres.
- Setting a new foundation towards better outcomes for Aboriginal families and communities with initiatives such as an Aboriginal Early Childhood Development project, to help urban Aboriginal communities develop a comprehensive approach to Early Childhood Development services for children up to age six years and their families. Twenty-five communities were prioritized for funding.
- Conducting *Make Children First* learning initiatives in selected communities, to determine an integrated and comprehensive system for Early Childhood Development that can be applied provincially.

I am particularly encouraged by the landmark work that has begun through the University of British Columbia's Human Early Learning Partnership, which links university, government and communities in the Early Childhood Develoment field. By using an assessment method called the Early Development Instrument, they will be measuring the readiness to learn of all B.C.'s school-starting age children over the next year. This will create baseline data from which we can measure our progress in the coming years.

In the future, we will continue to develop a cross-government, coordinated strategy for Early Childhood Development in B.C., which will include consultation with some of Canada's leading researchers and achievers and with thousands of parents. I am committed to making services more accessible and responsive for the children and families of this province. I especially look forward to the great opportunity of ensuring all ministries work together to support early childhood development.

The Honourable Linda Reid
Minister of State for Early Childhood Development

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Year-at-a-Glance Highlights

The period June 5, 2001 to March 31, 2002 marked the beginning of real and positive change in how child and family services will be developed and delivered in British Columbia. The ministry began the transition by conducting a Core Services Review, which helped define its mandate, services and programs to ensure that they were focused to meet government's economic, fiscal and social objectives. It then developed a new vision, mission and six strategic shifts, re-organized and began operating according to five primary service areas, and announced a three-year plan to move to community-based governance. Significant progress continued throughout the fiscal year, with some highlights provided below, by primary service area.

Adult Community Living Services

- Completed and obtained approval for the Community Living Transformation process which, early in fiscal 2002/03, would include the appointment of a 24-member Transition Steering Committee to partner with government in the planning to community governance of services to children, adults with developmental disabilities, and their families.
- Began work to explore a range of new community living/special needs options, with a goal to increase choices and better meet individuals' and families' needs, and to enable more adults with developmental disabilities to live at home with their families as long as possible.
- Began to review initiatives towards enabling more adults with developmental disabilities access to a greater variety of options around independent living and family care arrangements, shifting away from staffed residential resources if and when possible.
- Began planning towards the development of initiatives that would ensure resources are dedicated to those adults with developmental disabilities and their families who are most in need.

Youth Justice, Child and Youth Mental Health, and Youth Services

- Developed a plan for a comprehensive ministry youth services review to occur in fiscal 2002/03, with an objective to gather evidence of 'what works for youth', to ensure optimal services for high-risk youth in B.C. over the long term, within allocated budgets.
- Progressed work in developing a Child and Youth Mental Health Plan to enhance services and maintain integrated service delivery. The ministry also worked with the Ministry of Health Services and Minister of State for Mental Health to ensure quality service delivery in this area.
- Announced plans to close the Boulder Bay Youth Custody Centre in Mission, and the Centre Creek Youth Custody Centre in Chilliwack. The two closures resulted from a decline in the number of youth in custody over the past several years.
- Confirmed construction of a new 60-bed youth custody centre in Victoria to replace an outmoded and inadequate facility. The new facility will open in June 2002, and will include enhanced forensic psychiatric services.
- Enhanced rehabilitative and community-based youth justice services, by completing implementation of new outpatient and in-custody violent young offender treatment programs; and enhanced intensive support and supervision programs.
- Confirmed that regional child and youth mental health and regional youth probation services will be included in the same new governance and service delivery structure as child protection and family development.

- Prepared to conduct targeted stakeholder consultations, to inform the introduction of a *Safe Care* bill in 2004/05 to fight sexual exploitation of children. Also, work started on two months of training sessions across the province to increase understanding and use of existing legal options, including restraining orders under the *Child, Family and Community Service Act*, to help protect sexually exploited children and youth. The training was targeted to social workers, police, probation officers and youth workers. Also, the ministry started preliminary planning for 2002/03 joint work with the Ministry of Public Safety and Solicitor General to consider appropriate measures to fight child prostitution and youth crime.

Early Childhood Development and Children with Special Needs

- The National Children's Agenda developed a vision for improvements in children's health and well-being. Governments indicated their commitment to this vision with a focus on healthy pregnancy, birth and infancy; parental and family supports; early childhood development, learning and care; and community supports. The ministry worked on various plans to expand programs and services for Early Childhood Development.

- British Columbia joined a partnership of four provinces and three territories working together to prevent fetal alcohol spectrum disorder (FASD), and to raise public awareness of the impacts of FASD and related disorders. Alberta, Manitoba and Saskatchewan formed the original partnership in 1998; other members are Nunavut, the Northwest Territories and the Yukon.

- Began developing, in collaboration with the Ministry of Health Planning, the *Best Chance Series*, consisting of three informative publications for parents: *Baby's Best Chance* (revised); *Toddler's First Steps*; and *Pre-Schoolers: Ready to Learn*.

- Partnered with the Kiwanis Club of Courtenay for the province-wide distribution of a video called *Precious Minds: Nurturing Literacy in the Early Years*, which shows the benefits of reading aloud to infants and toddlers, including sensory stimulation and relationships.

- Provided core support for establishment of a multi-university/society partnership in Early Childhood Development. The Human Early Learning Partnership (HELP) is based at the University of British Columbia and links university, government and communities concerned with early childhood health, development, education and family well-being. Also, administration of the Early Development Instrument through HELP began, for children in kindergarten, over a five-year funding period. This will create baseline data that can then be used to gauge readiness to learn. Dr. Clyde Hertzman leads HELP.

- Set a new foundation for better outcomes for Aboriginal families and communities, with initiatives such as an urban Aboriginal Early Childhood Development project. Priority communities identified for funding include Vancouver, Mission, Kamloops, Quesnel, Surrey, Langley, North Delta, Tsawwassen, New Westminster, Burnaby, Pitt Meadows, Maple Ridge, Coquitlam, Port Moody, Vernon, Smithers, Chetwynd, Houston, Prince George, Dawson Creek, Fort Nelson, Prince Rupert, Courtenay, Nanaimo and Duncan.

- Finalized plans to administer a new individualized funding program early in fiscal 2002/03 for autism services for children aged zero to six years with autism and their families.

- Worked with community partners and the Ministry of Health Planning to expand the Building Blocks program, develop new learning initiatives, develop new Family Resource Centres and implement the above-noted Early Development Instrument. Building Blocks programs reached 27 communities, focusing on Family Home Visitors, fetal alcohol spectrum disorder prevention, and family development through child care.

- In partnership with the Capital Health Region and the Queen Alexandra Foundation for Children, conducted the *Shaken Baby Provincial Awareness Campaign*, to promote public awareness about important preventative measures to avoid the potentially tragic consequences of shaking a baby.

Family Development and Child Protection

- Introduced Bill 17, the *Child, Family and Community Service Amendment Act 2002*, to strengthen families' and communities' ability to care for and protect their own children without the need for the ministry to take the children into care. The bill will clarify and strengthen British Columbia's child protection legislation, facilitating new options to protect children in their own home and community. Work on creating a new family development framework also started, in support of this goal. Plans for enabling kith and kin agreements and enhanced family conferencing also began.

- Began preparatory work on a variety of options to ensure children's protection without the disruptive removal from their family. Planning began to reallocate savings to protective family development services, to assist parents or extended family members to care for children, or to enable a child removed from a home to return home earlier.

- Corrected inconsistencies and inequities in compensation to foster parents, by aligning foster care rates and bed-specific agreements with existing ministry policies developed in 1992. Payments to B.C. foster parents are tax-free and rank among Canada's highest.

- The Minister participated in the Vancouver Aboriginal Child and Family Services Society (VACFSS) delegation ceremony in December. VACFSS is the first stand-alone delegated urban Aboriginal child and family service agency in British Columbia.

- Signed an agreement with Metis Family Services (Surrey), making them the first Metis child and family services agency in B.C. and Canada to undertake delegated authorities under the *Child, Family and Community Service Act*.

- Distributed a video and user guide called *Redefining Success: Raising Children Exposed Prenatally to Alcohol*. While its main focus is on families interested in or who have adopted children exposed prenatally to alcohol, the materials assist in different settings with different audiences, such as foster parents, birth families, teachers, students, teenagers, social workers, medical professionals and others.

- Continued providing a range of preventive and support services for families to complement existing community resources, including:
  - Parents Together (self-help groups)
  - Family Enhancement Worker Programs
  - Family Preservation Programs
  - Child and Youth Care Worker Programs.

- Signed an agreement in the spring with the Northern Interior Health Region, to develop a Suspected Child Abuse and Neglect (SCAN) Team in Prince George. The Prince George SCAN team serves all communities in the North. The ministry also has agreements for multi-disciplinary SCAN teams in Victoria, the Fraser Valley and Vancouver.

- November was proclaimed *Adoption Awareness Month* in B.C. The ministry conducted a province-wide *Adoption Recruitment Campaign*. That month, over 200 B.C. families and individuals inquired about adopting children in the permanent care of the ministry and many attended adoption information sessions. The ministry undertakes year-round adoption recruitment activities. From April 1, 2001 to March 31, 2002, 1,060 inquiries were made about ministry adoption and over 750 attended province-wide information sessions, and the ministry received over 500 applications to adopt. In March 2002, there were over 750 children in ministry care registered for adoption and nearly 300 approved adoption homes. (For information on adoption, visit web site www.mcf.gov.bc.ca/adoption/index.html or phone toll free at 1 877 236-7807.)
- The number of children in permanent care placed with adoptive families increased to approximately 227, up from 162 the previous fiscal year.
- Communities province-wide proclaimed October as *Foster Parent Appreciation Month*.
- Developed, in consultation with the Human Rights Commission of B.C., *Practice Guidelines for Responding to Bias Expressed by Children or Youth in Care*. The guidelines assist workers with guardianship responsibilities who are dealing with situations where children or youth in care have made discriminatory statements to another person.
- Facilitated preliminary work on the shift of children in residential care from staffed group homes and other contracted resources, into family foster care.
- Commenced planning for the devolution of the Director's responsibilities to the regions.

Corporate Services, Program and Regional Management

- Re-organized the ministry according to five primary service areas, as a result of the review of all ministry programs and services.
- Developed and published the ministry's three-year service and budget plan (available on the ministry's web site at www.gov.bc.ca/prem/popt/corereview/srv_pln/mcf/) which sets out the framework for transitioning the ministry to a community governance structure, with provincial and regional authorities, over the next three years.
- Developed the *MCFD Transformation* model (located on the MCFD Change web site at www.mcf.gov.bc.ca/change/) to help the public understand the roles of the Deputy Minister, four key Executive Sponsors, and Executive Members through the transition to provincial and regional authorities.
- Established, or received approval for establishing, community governance steering committees with representatives from province-wide communities, to prepare the ministry's transition in the areas of child and family services including Aboriginal child and family services, and adult community living services.
- Reviewed the regulatory burden of various program areas to identify those requirements that are unnecessary or inconsistent with the ministry's strategic shifts. Such regulations were identified for elimination or amendment during the next three years, in accordance with targets set in the ministry's *Three-Year Deregulation Plan*.

- Implemented a revised Complaints Process policy in October that clarified and strengthened the original 1997 policy. Along with information from the results of the Core Services Review of the Children's Commission and the broader *Restructuring Administrative Review Agencies* report released in February 2002, the revision helped enhance the process used by clients, their families and community members.
- Began the initial review of over 15,000 contracts held by the ministry, in terms of the shift to strategic investments in programs that are evidence-based, produce measurable results and empower vulnerable children, families and their communities toward positive change in the quality of their lives. Direct service contracts were identified as priority for retention, within available budgets. As of the end of March 2002, some contracts not supporting direct service delivery had been identified for phasing out.
- Finalized a Workforce Adjustment plan to reduce ministry-wide full-time equivalents by 22 per cent (about 1,110 positions) over the next three fiscal years. The plan featured no layoffs of regular staff in the 2001/02 fiscal year, due to administrative efficiencies.
- Made innovative advances in the ministry's public web site (www.gov.bc.ca/mcf) which contributed to a 40 per cent increase in visits over 2000/01, or 1.4 million page views. The ministry also developed and launched several new web sites, including the Media Site. The first of its kind in B.C., the Media Site provides statistics, quotes, news and other facts about ministry programs often sought by the media and the public. Other new web sites launched included the Core Services Review consultation site, the B.C. government's first interactive public consultation site; the MCFD Change Site, which provides regular updates for clients, staff, stakeholders and community partners regarding the ministry's transformation to community governance; and Connections, an electronic newsletter site that replaced two previous print newsletters. All of these web sites can be accessed through www.gov.bc.ca/mcf.
- Developed new 'virtual workspaces' on the ministry's Intranet to provide field staff with downloadable materials for adoption and fostering recruitment campaigns and provide a space to share ideas, innovations and best practices.

Ministry Role and Services

Results of the Core Services Review

In fall 2001, the ministry reviewed all of its programs and services to assess their ability to meet government's economic, fiscal and social objectives. The ministry invited staff, contractors, community leaders, clients and the public to provide input on ministry programs and services. Key questions were asked: What was being done? Why was it being done? How was it being done? And, how were we defining and measuring our progress?

To facilitate input, the ministry launched an interactive Core Services Review public consultation web site. In total, the web site received more than 35,000 user visits and more than 400 submissions, all of which were posted on the web site. Input was received from staff, community partners, interested organizations and others.

The Core Services Review revealed a gap between what the ministry was offering and what government required the ministry to deliver. All of the input informed the ministry's subsequent development of a new vision, mission statement and six strategic shifts (see below) that would guide the ministry over the longer term. The six strategic shifts were identified as necessary to guide operations over the next three years.

The ministry determined that a community-based governance structure, with provincial or regional authorities, would be better able to deliver services tailored to clients' needs. The new structure would better initiate informal support networks to increase the long-term capacity of communities to address their own social issues as they arise. Towards the end of 2001/02, the ministry began seeking more flexible and innovative ways to work with community leaders and new regional authorities to ensure future sustainability in meeting the needs of B.C. children and families. It also prepared to collapse its 11 regions into five in 2002/03, to work more effectively with other authorities, including those from Health Services and Education. Fiscal 2001/02 marked the beginning of a major transition period for the ministry as it began partnering with communities. The final results will change the way a range of social services are delivered to the province's children, adults with developmental disabilities, and their families, all with the goal of enhancing the quality of life for vulnerable people in our communities.

In February 2002, the ministry published its three-year *Service Plan*, which overviews the ministry's plan to transition to a community governance structure. It outlines how the ministry will partner with communities to change the way a variety of social services are delivered. It is expected that the changes will enhance the quality of life for vulnerable citizens currently served by the ministry.

Strategic Shifts

The following six strategic shifts will guide the ministry's operations for the next three years:

- To open, accountable and transparent relationships.
- To enabling communities to develop and deliver services within a consolidated, coherent, community-based service delivery system.
- To making strategic investments in capacity and resiliency building, and providing funding for programs and services known to work. (Capacity, in this context, means ability and potential. Resiliency is the ability to recover from challenging situations. The ministry believes that individuals, families, and communities have the capacity to successfully face and overcome challenges, provided they are given the opportunities and necessary supports to build and integrate this capacity.)
- To promoting family and community capacity to protect children and support child and family development.
- To a community-based service delivery system that promotes choice, innovation and shared responsibility.
- To building capacity within Aboriginal communities to deliver a full range of services with emphasis on early child and family development.

Vision, Mission and Values

Vision

The Ministry of Children and Family Development envisions a province of healthy children and responsible families living in safe, caring and inclusive communities.

Mission

Our mission is to promote and develop the capacity of families and communities to:

- Care for and protect vulnerable children and youth
- Support adults with developmental disabilities.

Principles and Values

The following principles guide the ministry in its work:

- We believe in the right and primary responsibility of families to protect and support the growth and development of children and youth.
- We believe that government must acknowledge and reinforce the capacity of communities to support and enhance the resilience of children and families.
- We believe that this ministry should provide the minimal intervention necessary to ensure the safety and well-being of our most vulnerable community members.

Role and Mandate

The ministry's role and mandate is to:

- Advance the safety and well-being of vulnerable children, youth and adults.
- Advance early childhood development through strategic investments.
- Advance and support a community-based system of family services that promotes innovation, equity and accountability.

Legislation

The Ministry of Children and Family Development is responsible for administering the following legislation:

- *Adoption Act*
- *Correction Act* (sections pertaining to youth justice services only)
- *Child, Family and Community Service Act*
- *Human and Social Services Delivery Improvement Act* (Part 3)
- *Human Resource Facility Act*
- *Secure Care Act* (not proclaimed)
- *Social Workers Act*.

The following legislation also guides delivery of services by the ministry:

- *BC Benefits (Child Care) Act*
- *Community Care Facility Act*
- *Mental Health Act*
- *Young Offenders Act (Canada)*
- *Young Offenders (British Columbia) Act*.

Planning Context

Facts about Ministry Services Provided to Communities in 2001/02

- Ministry social workers respond to an average of 90 reports a day of abuse and neglect of children. That's 90 reports every day, 365 days a year.
- Every day, 60 of those reports result in a social worker arriving on someone's doorstep to investigate.
- Every day in B.C., 11 children are likely to come into the legal care of the ministry because of concerns about their well-being or safety.
- Every day in B.C., children return to their families, with supports like homemakers, child and youth care workers and parenting programs.
- The ministry has over 10,000 children in its legal care — many of whom are medically fragile or have special needs.
- The ministry holds in excess of 15,000 contracts with agencies and individuals who deliver services to vulnerable children and youth, and to adults with developmental disabilities.

Many trends affect demand for ministry services, including demographic, social, and economic influences. Highlights of demand are listed below.

- The proportional average of children admitted into the care of the ministry from families receiving income assistance at the time they came into care, has been 65 – 70 per cent over the past decade.
- About 60 per cent of children in care come from single-parent families.
- The number of children in the care of the ministry averaged approximately 7,700 in 1996/97, compared to an average of approximately 10,450 in 2001/02, including Aboriginal children with delegated agencies.
- However, from June 2001 to the end of March 2002, the number of children in care declined.
- The Aboriginal child and youth population has grown faster than the non-Aboriginal child population. In 2001/02, an average of over 40 per cent of children in care were of Aboriginal ancestry.
- The number of children in the permanent care of the ministry placed with adoptive families increased from 162 in 2000/01 to approximately 227 in 2001/02.
- In 2001/02, the ministry delivered community child and youth mental health services to about 11,100 individuals, comprising approximately half of that service area's budget. In addition to the ministry's direct services, contracted ministry equivalent agencies and community contracted service providers also served in this area.
- Between April 1, 2001 and March 31, 2002, there was an average count of almost 260 youth in youth custody centres, and approximately 2,800 youth were on probation. In 2000/01, there was an average count of 290 youth in custody centres, and 3,200 youth on probation.
- In 2001/02, the ministry provided services to approximately 16,000 children with special needs and their families, ranging from infant development, to respite, to providing the services of child and youth care workers.

- From 1991 to 2000, the prevalence rate of Down's Syndrome per 1,000 total births increased by 19.7 per cent. For all congenital anomalies, the prevalence of any congenital anomaly per total births increased by 69.9 per cent. For the 1992 to 2000 period, the prevalence rate increased by about 58.8 per cent.
- The ministry funds Residential Services and Training and Support (day programs) for adults with developmental disabilities. This client group has grown steadily since 1996/97, from about 6,900 clients receiving services in March that fiscal year, to about 8,600 in March 2001/02, an increase of 25 per cent.
- The ministry has over 15,000 contracts for services with agencies and individuals, involving thousands of staff and individuals providing care. Until recently, growth in services focused on the use of contracted agencies rather than a family care model for the provision of services. In 2001/02, the ministry began to review contracts to ensure consistency with its six strategic shifts.

Ministry Organization

The Ministry of Children and Family Development consists of two separate but related components, headquarters and regions.

Headquarters

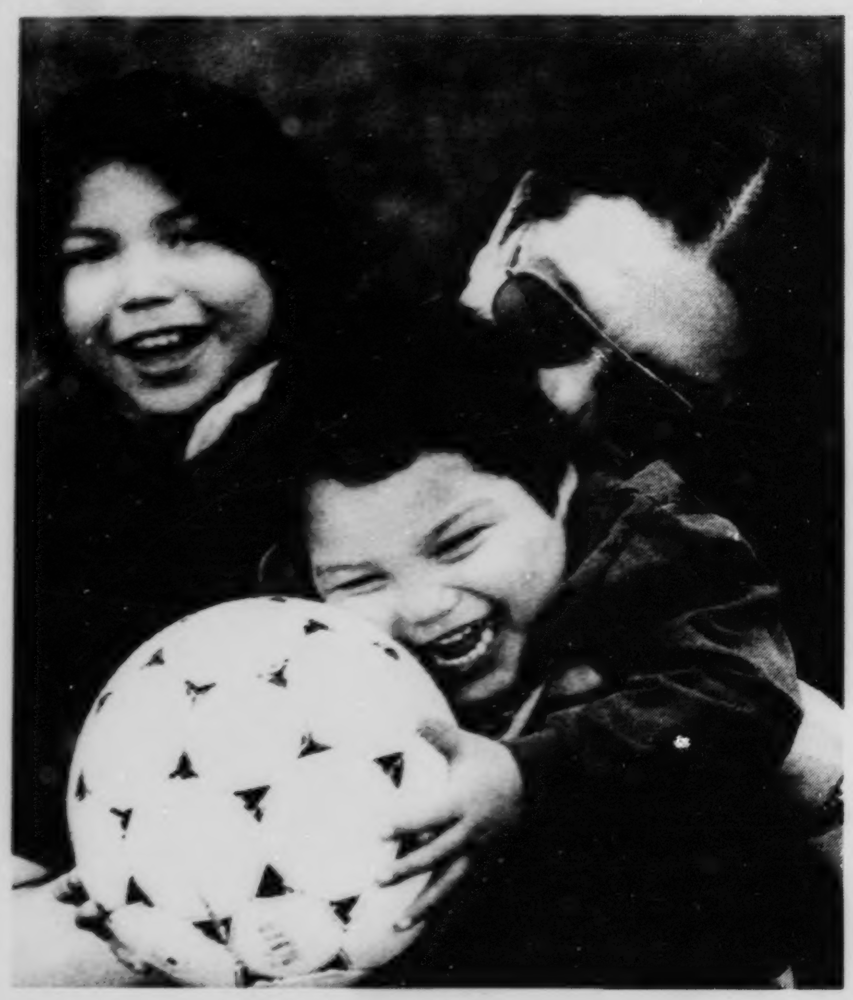
In Summer 2001, headquarters was restructured to meet the new ministry's mandate. Led by the Deputy Minister, headquarters provides central support for ministry operations. The functions of headquarters are to:

- Provide leadership by establishing provincial legislation policies and standards
- Provide performance management of the service delivery system, including the establishment of outcome-based objectives and evaluation criteria
- Audit procedures, policies and outcomes
- Provide advice and support
- Monitor for quality assurance and administrative fairness
- Determine best practices
- Maintain and enhance community partner relationships.

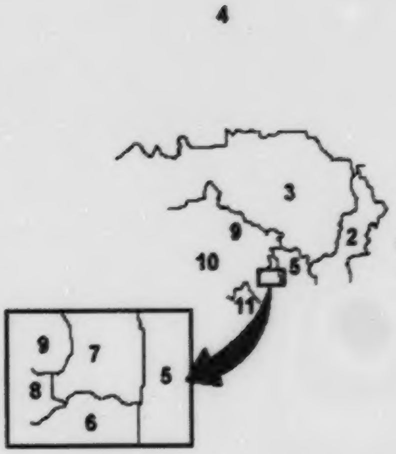
The divisions within headquarters are:

- **Regional Operations Division** — This division implements policy, manages service delivery and sets performance objectives for regional programs and services. It administers programs and evaluates performance.
- **Child and Family Development Division** — This division develops and maintains policies and standards for services related to child protection, foster care, family supports, family development, adoptions, and children in care; and conducts quality assurance evaluations against these standards.
- **Services to Aboriginal Children and Families Division** — This division provides administration for services related to Aboriginal children and families, and assists Aboriginal communities in building capacity towards providing services to their communities.
- **Early Childhood Development and Adult Community Living Services Division** — This division provides administration related to services and programs in early childhood development for children aged zero — six years and their families; children and youth with special needs and their families; and services for adults with developmental disabilities and their families.
- **Child and Youth Mental Health and Youth Justice Division** — This division oversees a range of programs and services related to youth justice, child and youth mental health resources, and services to youth at risk.
- **Management Services Division** — This division manages the ministry's finance requirements and decision support, capital assets and planning, human resource and education services, and provides privacy information and records services. It is also responsible for budget development, monitoring and forecasting.

- **Strategic Management and Intergovernmental Relations Division** — This division coordinates the ministry's major policy and planning initiatives and is responsible for the coordination of the transition to community governance, legislation, and intergovernmental relations.
- **Electronic Services Division** — This division oversees all aspects of information technology and information management for the ministry.



Regions



Kootenays (1)

Okanagan (2)

Thompson/Cariboo (3)

Upper Fraser (5)

South Fraser (6)

Simon Fraser/Burnaby (7)

Coast/North Shore (9)

Central/Upper Island (10)

North (4)

Vancouver/Richmond (8)

Capital (11)

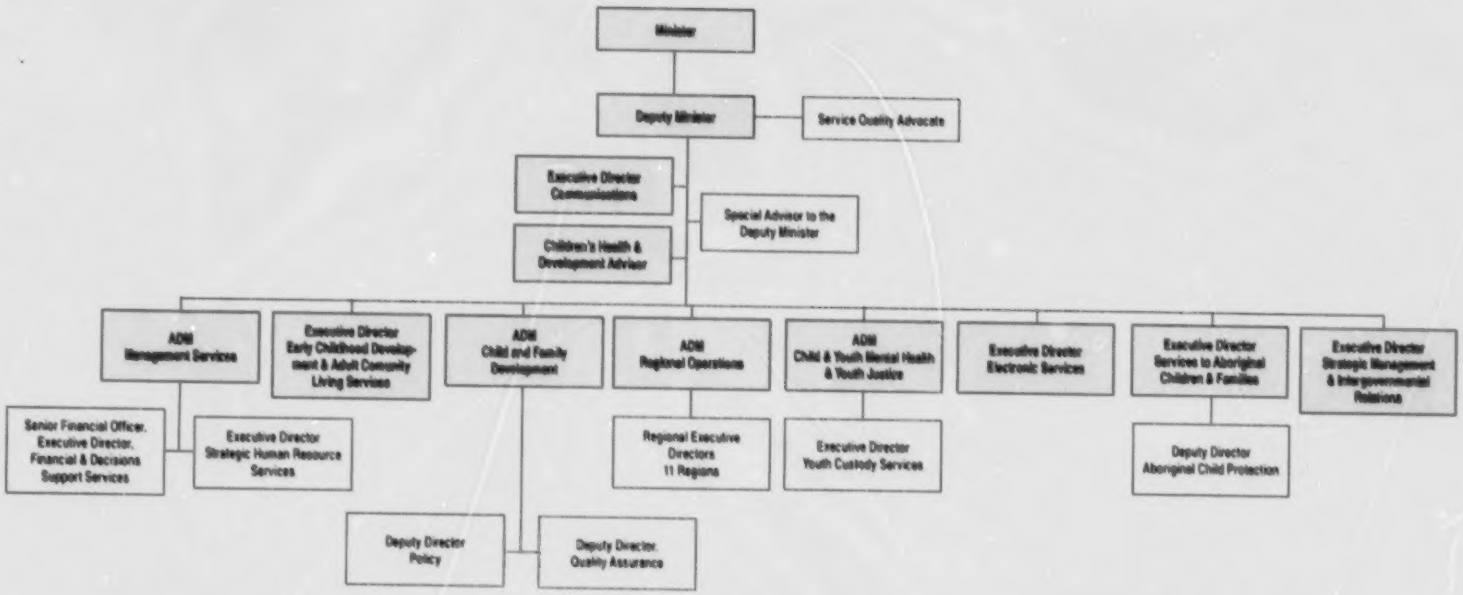
In 2001/02, services were delivered through 11 regions, each of which was headed by a regional executive director. Regional management functions include community services, child protection, community living, contract management, quality assurance, Aboriginal services, personnel and financial services.

The major functions of the regions are to:

- Manage the ministry's service delivery system
- Conduct client, community and regional needs assessments, and provide and manage service delivery based on those assessments
- Conduct regional planning, evaluation and reporting
- Allocate and manage funding within each region
- Be accountable to the public by establishing effective, front-line complaints processes
- Ensure equitable access to services for a diverse population
- Maintain and enhance regional stakeholder relationships
- Establish mandatory advisory committees that include families, youth and adults with developmental disabilities.

Note: Planning was underway in 2001/02 to move to a five-region model in preparation for the future move to community governance.

Organizational Chart
Ministry of Children and Family Development
Management Structure


Minister
Deputy Minister
Service Quality Advocate
Executive Director Communications
Special Advisor to the Deputy Minister
Children's Health & Development Advisor
ADM Management Services
Executive Director Early Childhood Development & Adult Community Living Services
ADM Child and Family Development
ADM Regional Operations
ADM Child & Youth Mental Health & Youth Justice
Executive Director Electronic Services
Executive Director Services to Aboriginal Children & Families
Executive Director Strategic Management & Intergovernmental Relations
Senior Financial Officer, Executive Director, Financial & Decisions Support Services
Executive Director Strategic Human Resource Services
Regional Executive Directors 11 Regions
Executive Director Youth Custody Services
Deputy Director Aboriginal Child Protection
Deputy Director Policy
Deputy Director, Quality Assurance

Ministry's Primary Service Areas

The goals of the ministry are carried out through five primary service areas, described below.

Adult Community Living Services

This area provides residential and day programming support to adults with developmental disabilities. Residential services are provided in family care settings, semi-independent living, and in staffed resources. Training and support programs (day programs) include self-help skill development, supported work and home support.

Youth Justice, Child and Youth Mental Health, and Youth Services

Youth Justice programs promote rehabilitation by providing services to youth committed by the courts to youth custody centres; providing community supervision services by youth probation officers; and by funding a range of community-based alternatives to custody, including day programs, intensive supervision, alternative measures and community service. Child and Youth Mental Health services include youth forensic psychiatric services to the courts and clients; community mental health programs ranging from prevention to intensive support and treatment; and operation of the Maples Adolescent Treatment Centre. Youth Services provides programs for at-risk youth and services to assist sexually exploited youth, including support workers, prevention and promotion services, and youth agreements.

Early Childhood Development and Special Needs Children and Youth

Early Childhood Development encourages the development of healthy children from zero to age six years, to prevent problems that might subsequently require more intensive interventions. Special needs services provide child and youth, and family support programs and interventions that promote healthy development and functioning of children and youth. These programs aim to help optimize lifetime opportunities and assist families in their role of primary caregivers. Early Childhood Development is a strategic priority of the ministry, and specific attention will be paid to Aboriginal communities.

Family Development and Child Protection

The Child Protection program carries out the Province's responsibilities under the *Child, Family and Community Service Act*, to promote the capacity of families and communities to support children, and to ensure that children found to be at risk of harm are protected from further abuse and neglect. The program administers the children in care residential program, including foster care, contracted facilities, and independent living, and seeks adoptive homes for children in the permanent care of the Province. It ensures that the Province's obligations under the *Hague Conventions on Adoption* are met. It also licenses and monitors six adoption agencies that provide placement services for parents who want adoption for their child; and interministerial adoption services to families who want to adopt children from other countries.

Family development programs ensure that families whose children are at risk receive necessary support services. Changes to this area will be sensitive to families' needs. New measures are intended to reduce the average cost per child in care, and will also help reduce the number of children in care in B.C. from 11 per 1,000 population, to closer to the national average of 9 per 1,000, by investing more in family development programming.

Corporate Services, Program and Regional Management

Corporate Services, Program and Regional Management provides overall direction, development and support for ministry programs, including support for all regional operations. This includes policy and legislative support, intergovernmental relations, audit, performance management and related research functions, administrative services, and financial and decision support services. The area will also provide support for the establishment of the new governance structure, with appropriate accountability mechanisms; and Freedom of Information (FOI) and Protection of Privacy maintains responsibility for FOI requests and records.

Ministry Alignment with Government Strategies

Government Priority: Education and Family Services

Government Strategy

"Reduce the proportion of children in care while ensuring they are protected."

- The safety and well-being of children will remain the ministry's primary focus; however, in most circumstances, children can be best cared for within their families.
- Wherever possible, the ministry will focus on dedicating resources to build family capacity, rather than remove children from their homes.

Activities to Date

- In March 2002, Bill 17, the *Child, Family and Community Service Amendment Act 2002*, was introduced. The bill's purpose is to expand options available to courts and ministry workers for children needing protection in ways such as:
  - — Allowing a child to be placed in the custody of extended family, friends of the family, and other community members, shortly after removal from the home.
  - — Helping to clarify the scope of child protection authority and ensuring resources are focused on protecting children in their own homes.
- The ministry will continue developing a variety of responses that are less disruptive than removal to address protection concerns, including:
  - — Support for families or relatives without removal of the child.
  - — Shortening a child's length of time in the care of the ministry.
  - — Providing child protection workers with options that are less disruptive than removing a child from his or her parental home.
  - — Promoting capacity in communities in order to help protect children and support child and family development. This includes planning (for completion in 2002/03) a new family development framework, to facilitate assisting parents or extended family members to care for a child without removal from home, or to enable a child who is removed from home to return home sooner.
- Increasing the number of adoptions of children in the permanent care of the ministry.
- The ministry began developing the Youth Educational Assistance Fund for implementation in 2002/03, as an option for former permanent youth in care between their 19th and 24th birthday. The fund will be similar to a bursary and will provide eligible youth access to a maximum of $2,500 per year to pursue educational goals, up to a maximum of $10,000 over five years.
- The ministry will continue another key activity through its focus on investing strategically in Early Childhood Development, to identify and build on existing community capacity to enhance the resiliency of families.

Next Steps

- The ministry is preparing for proclamation of Agreements with Child's Kin and Others (section 8 of the *Child, Family and Community Service Act*, also called kith and kin agreements), to be proclaimed separately, along with new family conferencing provisions.

Government Strategy

"Establish a legacy fund for Early Childhood Development"— (Completed).

Activities to Date

- In 2001/02, the Minister of State for Early Childhood Development (the first such position in Canada) established an Early Childhood Development Legacy Fund at the Vancouver Foundation. The ministry had invested $5 million in the fund as of March 31, 2002, which will help community groups build local capacity to serve children up to age six and their families. It is anticipated that businesses, foundations, individuals, non-profit and professional groups in the private sector will build the fund to approximately $10 million by 2005, to benefit community-based Early Childhood Development initiatives province-wide.
- The ministry provided funds to establish a research chair.

Government Strategy

"Work with the community to develop and implement a new governance and service delivery structure for adult community living services."

- In 2001/02, the ministry took steps to lay the groundwork for moving from a system of direct care and support for adults with developmental disabilities, to a community governance and service delivery system that promotes choice, innovation and shared responsibility. Activities began to plan and support community governance in the adult community living sector, including work towards the later establishment of a 24-member provincial Transition Steering Committee to partner with government.

Activities to Date

Activities to support community governance in the adult community living sector include:

- Completing groundwork towards the establishment, early in 2002/03, of the above-noted 24-member provincial Transition Steering Committee with representatives from community service sectors across B.C., to partner with government to plan for community governance. Membership of the transition steering group will feature a full range of community stakeholders, including clients and families, proprietary caregivers, and representatives with many years of experience operating non-profit community agencies.

Next Steps

The ministry and its partners will explore options for new initiatives in adult community living services, such as:

- New options to help ensure resources are dedicated to those adults with developmental disabilities and their families who have the greatest need.
- Additional supports and incentives that would enable a greater variety of options to keep adult children living at home.

- Where possible, enabling adults with developmental disabilities more options as alternatives to living in staffed residential resources, such as more independent living and family care arrangements.
- More specialized and cost-effective residential arrangement options for those adults with more complex support needs.
- Reviewing a range of funding options towards increasing choice and better meeting the needs of individuals and families.

Government Strategy

"Work in partnership with families and communities to create a model that will better meet the needs of children by increasing a family's capacity to care for its children through family development programs."

Activities to Date

- One of the strategic shifts the ministry is making is investment in capacity and resiliency building, and providing funding for programs and services known to work.
- Family supports under the *Child, Family and Community Service Act* aim to build on the capacity of families and communities, by funding evidence-based support services that enhance child and family development.
- As part of its strategic investments in early childhood development, the ministry will focus on innovative ways to identify and build on existing community capacity to enhance resiliency of children and their families. Examples include finding new opportunities for greater local delivery of services through a variety of initiatives, including learning sites.
- In 2001/02, the ministry began funding Early Intensive Behavioural Intervention programs for children under age six years with autism and their families, and announced the implementation, early in 2002/03, of an interim individualized funding option for the same group.
- The ministry continued the Transition to School Year Program to provide interim services to children aged four to six years with Autism Spectrum Disorder, to help prepare them to enter school.
- The ministry also began examining new opportunities for parental education initiatives, in areas such as Fetal Alcohol Spectrum Disorder awareness and Infant Development Programs. As part of its commitment to support urban Aboriginal communities, the ministry began plans to implement a comprehensive approach to Aboriginal Early Childhood Development services for young children and their families.

Next Steps

- The ministry is creating a family development framework, anticipated to be completed in the summer of 2002, which will:
  - — Be enabling and not prescriptive
  - — Be principle and outcome driven
  - — Set out what the ministry intends to achieve through family development resources and programming
  - — Support the ministry's goal to reduce the number of children in care by January 2004.

- Programs and services developed under the framework will enhance families' and communities' capacity to care for and protect vulnerable children.
- The ministry will promote community capacity and integrated approaches to service delivery at the community level for Early Childhood Development.

Update on *New Era* Commitments

During fiscal 2001/02, the ministry made significant progress on *New Era* commitments outlined below.

Stop the endless bureaucratic restructuring that has drained resources from children and family services.

- The new community governance models to be introduced by the ministry will create more stability in the system and ensure more effective service delivery for children and families.
- A critical first step was the announcement to move to a five-region structure, to come into effect in 2002/03.
- Through the Core Services Review, foundation principles were established for the effective, efficient delivery of services to vulnerable people:
  - Families have the right and primary responsibility to support the growth and development of children and youth
  - Government acknowledges and will reinforce the capacity of communities to support and enhance the resilience of children and families
  - The ministry should provide the minimal interventions necessary to ensure the safety and well-being of the most vulnerable community members.
- The ministry has begun a shift from decision-making based in headquarters towards community governance.
- The shift will involve the transfer of budget and staff resources to the community governance structure, and will be completed within three years.

Enhance training, resources and authority for front-line social workers, to protect children at risk and improve services to families.

- Social workers are being encouraged to utilize the full range of their training, experience and knowledge to protect children through family development supports. Removing a child from their home and community is the choice of last resort, when no other means available would ensure the child's safety and well-being.
- Government announced the creation of a Children's Officer, to integrate key functions of the Children's Commissioner and the Child, Youth and Family Advocate, when the two latter offices close. This will help reduce the diversion of valuable, front-line child protection resources caused by constant reporting to, or responding to reports from, third-party oversight agencies.
- The ministry will continue to collaborate with the province's university schools of social work, and child and youth care, to prepare future child protection workers.
- Child welfare specialization programs were established and operated in 2001/02. The Ministry of Advanced Education funds 152 seats for the programs, which will prepare graduates for entry into the field of child welfare.
- In 2000/01, about 162 children were placed into adoptive homes. During that fiscal year the ministry ran a three-week television advertising campaign. In 2001/02, adoption workers were encouraged to make more effective use of regional adoption recruitment budgets throughout the fiscal year. During this period, about 227 children were placed in adoptive homes — the highest annual number since the 1980s.

Work with foster parents to help them improve care and placements of foster children.

- The 53-hour B.C. Foster Care Education Program underway was presented through the community college system.
- The ministry is reviewing the screening process for foster families and the protocols for abuse/neglect allegations in foster homes. Foster care will be a component of the new governance model to be introduced for child protection and family development.
- The ministry began carrying out activities to facilitate, whenever possible, the shift of children in residential care from staffed group homes and other contracted resources, into family foster care with supports for 2002/03.
- Payments to foster parents in B.C. remained among the highest in Canada.
- The number of children removed from their homes by the ministry declined between June 2001 and March 2002.
- The ministry moved to correct inconsistencies and inequities in payments based on the family care home model.
- The ministry planned to continue working with foster parents throughout 2002/03 to implement the recommendations of an audit.
- The ministry produced a new publication for foster parents to assist youth as they approach adulthood and independent living. The *Facilitators' Guide for Useful Tips for Youth Leaving Care* was written by Dr. James Anglin of the University of Victoria School of Child and Youth Care. It is posted on the ministry's web site at www.mcf.gov.bc.ca/child_protection/facilitators_guide_final.pdf.

Focus on early identification of at risk children and measures aimed at preventing crisis situations before they arise.

- As part of a new governance model, the ministry will be working with the community to develop and implement a service delivery structure to support early intervention services to children at risk. This would include the implementation of programs that would help develop family capacity to meet the needs of their children.
- Investment in early childhood and family development will continue to be priorities, with plans underway for increases in 2002/03.
- Strategic investments were planned or underway, for services that are evidence-based, produce measurable results and empower children, families and communities toward real and positive change in the quality of their lives. The strategic investments include community-based programs such as the *Make Children First Learning Sites*, the *Building Blocks* programs, neighbourhood houses and family resource centres.
- The ministry will continue to shift decision-making responsibility around service delivery away from headquarters to community-based governance models.
- At the end of 2001/02, the ministry created a new Family Development unit, to build a framework for use by the future provincial and regional authorities, towards establishing services to support families and communities to keep children safe in their own homes and/or with extended families whenever possible.
- A key feature of British Columbia's approach to its Early Childhood Development initiatives will be the use of leading-edge research to promote policy development. Best practices will be fostered by

a partnership between the ministry's Early Childhood Development branch and the Human Early Learning Partnership (HELP) based at the University of British Columbia.

With the Ministry of Public Safety and Solicitor General, fight child prostitution and youth crime with specific legislation aimed at providing greater protection to children at risk, and greater parental responsibility for children who commit crimes.

- The ministry will be working with the Ministry of Public Safety and Solicitor General in 2002/03 to consider appropriate measures to meet related objectives.
- The ministry will re-activate and co-chair, with the Ministry of Public Safety and Solicitor General, the Assistant Deputy Ministers' Committee on Sexually Exploited Children, to advance collaborative and integrated inter-ministry efforts to combat the sexual exploitation of children.
- In mid-2001/02, many key ministry staff and police officers participated in province-wide orientation sessions for an integrated approach toward youth at risk. The sessions highlighted an *Orientation to the Legal Protection of Sexually Exploited Children and Youth* and were attended by professionals such as child welfare workers, police, youth and adult probation officers, street outreach and safe house workers.
- The unproclaimed *Secure Care* legislation was reviewed, and after public consultation and review of submissions, it was determined that very significant concerns precluded its proclamation. Instead, a *Safe Care* bill was announced for development.

Increase emphasis on early childhood intervention programs for families with special needs children.

- The ministry will develop and implement a new service delivery model to support and promote family and community capacity in the delivery of early intervention services to children at risk of developing special needs.
- The ministry began administering Early Intensive Behavioural Intervention programs for children up to age six with autism, and their families. The ministry also finalized plans to begin administering an individualized funding option for the same client group early in fiscal 2002/03.
- In 2002/03, the ministry will continue, and/or create plans, to expand a variety of services for at-risk children and their families. For example, the ministry made plans for expansion of the community-based *Make Children First Learning Initiative Sites*. These sites aim to determine elements of an effective, comprehensive, coordinated system of supports and services needed to optimize children's healthy growth and development.

Letter from the Premier to the Minister of Children and Family Development — June 25, 2001

Projects Achieved and/or Underway in 2001/02

Review the current legal status of children with autism and make recommendations.

- The Crown made an appeal of a B.C. Supreme Court decision on the provision of treatment to children with autism. This is a Charter obligation of government. Families involved in the litigation made a cross-appeal and asked the Court of Appeal to overturn the Supreme Court decision to not grant reimbursement for past treatment expenses, and require the government to provide treatment by a medical practitioner or psychologist. In mid-February, the British Columbia Court of Appeal heard the cross-appeal and reserved judgment. It was expected that the court's judgment would be issued within the next several months.

Examine opportunities for greater local delivery of family services.

- Government approved the development of new governanance and service delivery models. The ministry will be implementing the new models over the next three years in a way that will consider how best to deliver family services at the regional level.

Develop a plan to lead an increase in family support services.

- In 2002/03, the ministry will be reviewing its current family development programs, and will be considering how best to refocus tools and supports to increase the role of families in addressing identified risks to children in ways that keep children within their immediate and extended families.

Develop a framework for attracting more foster parents and support today's foster parents.

- Regional personnel will develop plans in 2002/03 regarding projected needs for foster care, in order to meet the range of services required across the province by 2004/05.

Develop a plan for Aboriginal children receiving ministry services in cooperation with the Ministry of Community, Aboriginal and Women's Services.

- An inter-ministry committee will be developing a plan in 2002/03 for coordination of provincial services.

Provide greater support to childhood development programs.

- The ministry will be reviewing its family development programs in 2002/03 and will be considering how best to refocus tools and supports to increase the role of families in addressing identified risks to children.

Examine opportunities for parental education initiatives.

- The ministry will further explore opportunities for enhanced parental education programs in 2002/03.

Performance Reporting

In this performance reporting section, ministry performance is reported against the goals and objectives as identified in the ministry's *2002/03 - 2004/05 Service Plan*. The following goals and objectives reflect the changes in priorities and strategic shifts that the ministry will be moving towards as a result of the review processes the government and ministry have completed to meet the needs of British Columbians.

Goal 1 — To promote an environment where adults with developmental disabilities can participate in and contribute to their communities and live a full and valued life.

Objective 1.1: To establish a sustainable community living system that supports the needs of adults with developmental disabilities, their families and communities.

Objective 1.2: To increase family and community capacity to exercise responsibility to support adults with developmental disabilities.

Goal 2 — To promote an environment that supports the health and safety of our highest risk youth.

Objective 2.1: To facilitate the rehabilitation of youth in the justice system.

Objective 2.2: To improve the functioning of high-risk youth in the community.

Objective 2.3: To establish co-ordinated, community-based mental health services for children and youth.

Goal 3 — To improve family capacity and improve readiness to learn for children under six, including children with special needs.

Objective 3.1: To promote early childhood development as a key strategic investment.

Objective 3.2: To target evidence-based, individualized services to those children with special needs and their families who most require them.

Goal 4 — To promote an environment where the most vulnerable children and youth are protected and supported by families and communities.

Objective 4.1: To promote and support the capacity and responsibility of families to protect and care for their children.

Objective 4.2: To improve the safety and well-being of children and youth receiving child protection services.

Goal 5 — To plan and deliver services in the most efficient and effective manner.

Objective 5.1: To develop and implement community-based governance models that promote choice, innovation and shared responsibility.

Objective 5.2: To develop and implement an organizational structure that supports government and ministry priorities, and optimizes public service renewal.

This section presents the ministry's performance measures and results for 2001/02. These measures are an amalgam of those presented in the ministry's *2002/03 – 2004/05 Service Plan* and in its previous *Performance Plan*. Each measure is presented with its actual value for 2001/02; a comparison of the actual result to the target; where applicable, a brief analysis of the results; historical trend information (where available and relevant); a definition and rationale for the measure; and comments related to the measure and related result. Changes in data are noted within the appropriate performance measure section.

The ministry collects data from a variety of different sources and is constantly striving to improve its data and performance reporting. Therefore, some data may be different than previously reported, to provide a more accurate picture. The measures will continue to be developed and refined, to reflect the ministry and government's priorities and to take advantage of all relevant and new performance information as it becomes available.

The ministry's *2001/02 – 2003/04 Performance Plan* included a number of performance measures that were population level health and well-being measures, such as the rate of low birth-weight babies born. Since the ministry and its programs are only one factor that contribute to the results of population level health and well-being measures, these performance measures are not included in the ministry's *Service Plan* or the *2001/02 Annual Report*. However, the ministry continues to monitor, report and use these important outcome measures to guide service delivery planning and priorities. Information on these population health and well-being indicators can now be found in *Measuring Success: A Report on Child and Family Outcomes in BC*, posted on the ministry's web site at www.mcf.gov.bc.ca/publications/measure_success/msindex_2002.htm.

GOAL 1 — To Promote an Environment where Adults with Developmental

Disabilities can Participate in and Contribute to their Communities and Live a Full and Varied Life

Objective 1.1 — To establish a sustainable community living system that supports the needs of adults with developmental disabilities, their families and communities.

<table>
<tr><th>Performance Measure</th><th>2001/02 Target</th><th>Actual</th><th>Variance</th></tr>
<tr><td>Percentage reduction in the unit cost of service</td><td>N/A
Baseline established</td><td>Unit cost of service
$59,000</td><td>N/A</td></tr>
<tr><td colspan="4">Analysis
This measure was baselined in 2001/02. Based on March 2002 figures, the average cost per client is $59,000.
This is a revised number, from the baseline of $65,000 that was published in the <i>Service Plan</i>. Changes are due to the use of actual expenditures (versus estimated budget) and a revision in the number of adult community living clients receiving services.</td></tr>
<tr><td colspan="4">Trends
N/A</td></tr>
<tr><td colspan="4">Definition / Rationale
The actual expenditures for adult community living, divided by the number of open case files in adult community living (based on March 2002 figures and reports).
The ministry is establishing a sustainable community living system for adults with developmental disabilities.
A reduction in the average cost per client is essential to ensuring the sustainability of the new system.</td></tr>
</table>

Performance Measure	2001/02 Target	Actual	Variance
Number of adults with developmental disabilities receiving services	N/A Baseline established	8,657	N/A

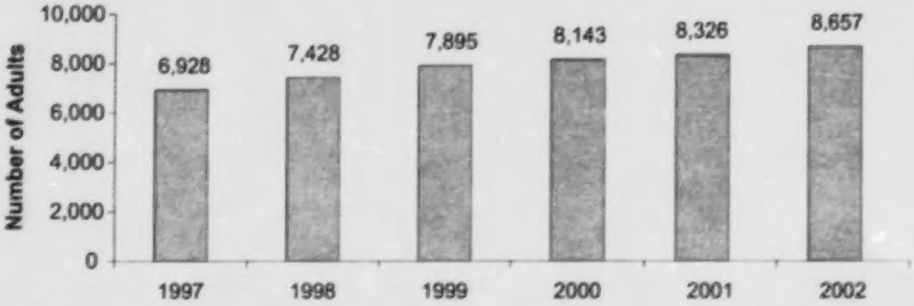
Analysis

This measure was baselined in 2001/02. The number of adults with developmental disabilities receiving services in March 2002 was 8,657.

The *Service Plan* listed the number of clients as 8,850 (average for April to September 2001). This was updated to 8,657 (March 2002) to more accurately reflect the number of clients receiving services. The updated figure excludes files that had no services attached to them, such as those with services pending or where a determination was made to not provide the service.

Trends

Number of adults with developmental disabilities receiving services



Definition / Rationale

This was the number of open case files in March 2002. This was a proxy for the number of clients receiving services; however, there may be some discrepancy, i.e., due to files that needed to be closed, etc.

This illustrates the ministry's commitment to continuing to provide services to adults with developmental disabilities.

Objective 1.2 — To increase family and community capacity to exercise responsibility to support adults with developmental disabilities.

Performance Measure	2001/02 Target	Actual	Variance
Percentage of clients who are living with family and receiving ministry services	N/A Baseline established	27%	N/A
Analysis This measure was initially baselined at 27% in the 2002/03 – 2004/05 *Service Plan* and reconfirmed by fiscal year end (March 2002). (The majority of clients not receiving services through the ministry receive benefits from the Ministry of Human Resources.)			
Trends N/A			
Definition / Rationale Number of clients receiving services without residential care divided by prevalence data. Data was based on March 2002 figures. Illustrates the ministry's commitment to building capacity of families and communities to support adults with developmental disabilities.			

Performance Measure	2001/02 Target	Actual	Variance
Percentage of clients living in semi-independent living and family care settings	N/A	17%	N/A
Analysis This measure was baselined at 17% for 2001/02 and reconfirmed by fiscal year-end (March 2002).			
Trends 2000/01 — 17% of clients living in semi-independent living and family care settings 2001/02 — 17% of clients living in semi-independent living and family care settings			
Definition / Rationale The number of clients living in semi-independent and family care settings divided by the total number of community living clients.			
Comment Illustrates the ministry's commitment to providing supports to maintain adults with developmental disabilities in their families' homes or to live semi-independently in their communities.			

GOAL 2 — To Promote an Environment that Supports the Health and Safety of our Highest-risk Youth

Objective 2.1 — To facilitate the rehabilitation of youth in the justice system.

Performance Measure	2001/02 Target	Actual	Variance
Number of youth forensic psychiatric assessments completed	N/A Baseline established	1,277	N/A

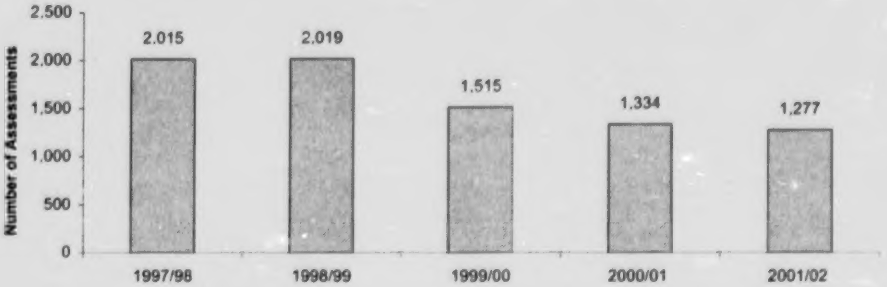
Analysis

This measure was baselined in 2001/02 at 1,277 assessments completed.

The decline in youth forensic psychiatric assessments matches the pattern experienced in the youth justice system in general. There has been a significant decline of youths being incarcerated and entering probation since 1995, and there was a decline in the youth population.

Trends

Number of youth forensic psychiatric assessments completed



Definition / Rationale

The total number of youth forensic psychiatric assessments completed within the fiscal year.

Measures the effectiveness of the ministry in continuing to deliver services to assist in the rehabilitation of youth in the justice system while meeting its budget reduction obligations.

Comment

This measure does not represent the number of youth that received assessments. One youth may have received more than one assessment within a fiscal year.

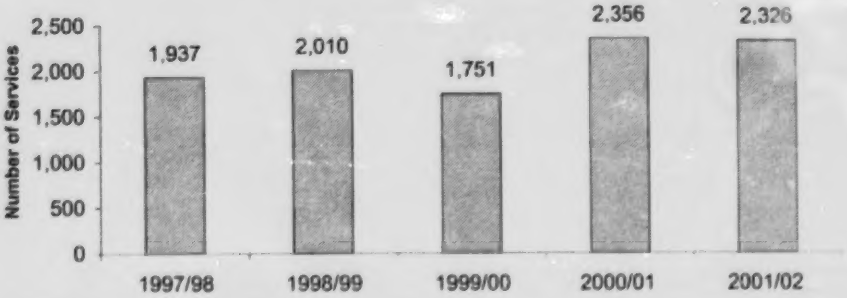
The ministry's *Service Plan* listed the baseline for 2000/01 as 1,068 assessments. This number has been updated to 1,334 to reflect a more accurate appraisal of the assessment services delivered.

Performance Measure	2001/02 Target	Actual	Variance
Number of youth forensic treatment services provided	N/A Baseline established	2,326	N/A

Analysis
This measure was baselined in 2001/02 at 2,326 youth forensic services delivered.

Trends

Number of youth forensic treatment services provided



Definition / Rationale
The total number of youth forensic treatment services delivered within the fiscal year.
Measures the effectiveness of the ministry in continuing to deliver services to assist in the rehabilitation of youth in the justice system while meeting its budget reduction obligations. A youth forensic treatment occurs when a youth enters into a course of clinical services. A youth can enter more than one course of treatment in a year. (This measure does not report the number of youth receiving services.)

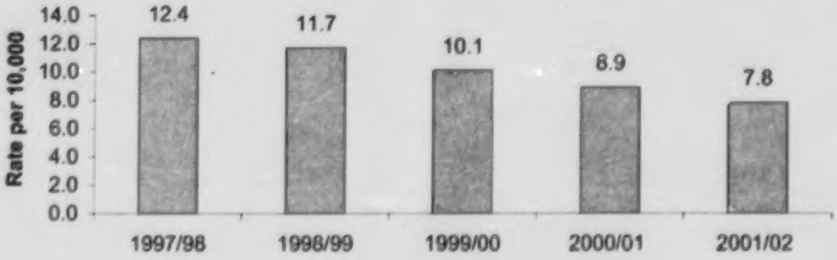
Comment
This measure does not report the number of youth that received treatment services. One youth may have received more than one treatment within a fiscal year.
The ministry's *Service Plan* listed the baseline for 2000/01 as 1,584 treatments. This number has been updated to 2,356 to reflect a more accurate appraisal of the treatment services delivered.

Performance Measure	2001/02 Target	Actual	Variance
Rate of youth in custody based on a proportion of all 12-17 year olds (per 10,000)	9.0	7.8	1.2 per thousand better than target

Analysis
Since 1997/98, the rate has dropped from 12.4 to 7.8, a drop of 37.1%. The most recent short-term change (2000/01–2001/02) is a decrease of 12.2% (8.9 in 2000/01 to 7.8 in 2001/02). The rate exceeded the pre-set target by 1.2 per 10,000.

Trends

Rate of youth in custody per 10,000 — all 12–17 year olds



Definition / Rationale
Number of youths in custody under the *Young Offenders Act* expressed as a ratio of the total population of youth to which the *Young Offenders Act* applies (12–17 years).
This is a measure of the extent to which youth are adopting illegal lifestyles.

Objective 2.2 — To improve the functioning of high-risk youth in the community.

Performance Measure	2001/02 Target	Actual	Variance
Number of Youth Agreements active at the end of the fiscal year	250	141	109 under target

Analysis
Three regions have increased their use of Youth Agreements, but the total number of Youth Agreements for the province has declined.
The 2002/03 target for the number of Youth Agreements (contained in the ministry's *Service Plan*) has been set at 200.

Trends
2000/01 — 161 Youth Agreements
2001/02 — 141 Youth Agreements

Definition / Rationale
The number of Youth Agreements that are active at the end of the fiscal year.
The ministry is continuing the use of Youth Agreements to meet the needs of at-risk youth.

Comment
In addition, there are 16 youth in the Youth Supported Independent Living Program, a three-year demonstration project for youth with significant mental health issues who can no longer live with family.

Objective 2.3 — To establish co-ordinated, community-based mental health services for children and youth.

Performance Measure	2001/02 Target	Actual	Variance
Number of children and youth receiving community child and youth mental health services (MCFD staffed mental health service providers only)	N/A	11,100 (approx.)	N/A

Analysis
This measure was baselined at approximately 11,100 children and youth. This measure excludes all data from the ministry's contracted agencies and community child and youth mental health service providers. Community Child and Youth Mental Health Services are delivered by three groups of service providers. These include MCFD staffed service providers, who served approximately 11,100 clients in 2001/02 and comprise approximately half of the total budget. Contracted MCFD equivalent agencies and community contracted service providers comprise much of the rest of the budget's allocation.

Trends
2000/01 — approximately 11,100 children and youth receiving mental health services
2001/02 — approximately 11,100 children and youth receiving mental health services

Definition/Rationale
Number of children and youth receiving community child and youth mental health services though ministry-staffed mental health service providers. Number does not indicate the type or frequency of service.

Comment
The ministry is developing the Child and Youth Mental Health Plan. Its implementation may result in a change of services provided (such as, type of client or type of service). In the future, data collection will improve due to: 1) the implementation of the Mental Health Minimum Data Set (MDS), which will allow the ministry to capture type of service data; and 2) the increasing number of contractors reporting into the existing information system.

GOAL 3 — To Improve Family Capacity and Improve Readiness to Learn for Children under Six, Including Children with Special Needs

Objective 3.1 — To promote early childhood development as a key strategic investment.

Performance Measure	2001/02 Target	Actual	Variance
Number of Learning Sites established to foster the integrated planning and delivery of early childhood development initiatives	N/A Baseline established	3 sites Baseline	N/A

Analysis

Measure was baselined in 2001/02 at three sites: Port Alberni, Prince George, and Eastern Fraser Valley.

The Learning Sites, established in November 2000, were intended to generate information for use by other regions and communities in establishing integrated early childhood development strategies and services to address their unique needs.

The number of sites will be expanded to five during the 2002/03 fiscal year, to ensure there is a site in each of the five regions.

Trends

N/A

Definition / Rationale

The Learning Sites are those that received funding for the purpose of contributing to the determination of an integrated and comprehensive system for early childhood development that can be applied provincially.

This measure illustrates both the ministry's commitment to promoting early childhood development as a strategic investment and to its commitment to build the capacity of communities to plan and deliver appropriate services.

Performance Measure	2001/02 Target	Actual	Variance
Number of communities with urban Aboriginal Early Childhood Development programs	N/A	25 targeted communities, represented by 18 Aboriginal agencies	N/A

Analysis

18 Aboriginal agencies, representing 25 targeted communities, were approved for urban Aboriginal programs. The funding for these programs was issued in January 2002.

Urban Aboriginal Early Childhood Development is a new program and is expected to expand in 2002/03.

Trends

N/A

Definition / Rationale

The number of communities are defined as the number of urban centres (i.e., Terrace, Kamloops, City of Vancouver) that have an approved proposal for urban Aboriginal Early Childhood Development funding.

There can only be one proposal per urban centre.

This measure demonstrates the ministry's support of building capacity within Aboriginal communities.

Comments

The 18 Aboriginal agencies (25 communities) which received funding in 2001/02 included:

Vancouver Aboriginal and Family Services
Mission Indian Friendship Centre
Interior Indian Friendship Society (Kamloops)
North Cariboo Aboriginal Family Centre (Quesnel)
South Fraser Aboriginal Early Childhood Service Enhancement Initiative (Surrey, Langley, North Delta)
Tsawwassen First Nations
First Nations Urban Community Society (New Westminster, Burnaby, Pitt Meadows, Maple Ridge, Coquitlam, Port Moody)
First Nations Friendship Centre (Vernon)
Office of the Wet'Suwet'en (Smithers)
Tansi Friendship Centre Society (Chetwynd)
Houston Friendship Centre Society
Prince George Native Friendship Centre
Dawson Creek Family Resources Society
Northern Rockies Aboriginal Women's Society (Fort Nelson)
Friendship House Association of Prince Rupert
Upper Island Women of Native Ancestry Society (Courtenay)
Tillicum Haus Native Friendship Centre (Nanaimo)
Hiliye'ye (House of Friendship) Society (Duncan).

Objective 3.2 — To target evidence-based, individualized services to those children with special needs and their families who most require them.

Performance Measure	2001/02 Target	Actual	Variance
Rate of children with special needs in the care of the ministry (per 1,000 children with identified special needs)	N/A	120 per 1,000	N/A

Analysis
The rate of children with special needs in the care of the ministry has increased marginally, from 119 per 1,000 children with identified special needs in fiscal 2000/01, to 120 per 1,000 in 2001/02.

Trends
2000/01 — 119 per 1,000 children in care with identified special needs.
2001/02 — 120 per 1,000 children in care with identified special needs.

Definition / Rationale
The number of children in care with special needs (as of March each fiscal year) as a proportion of total estimated B.C. children with special needs. Child in care with special needs is defined as any child in care who has a Special Needs Agreement; is in the Community Living Services service stream; or is identified as having a health/behaviour indicator of any one of the following: autism, fetal alcohol spectrum disorder, neo-natal abstinence syndrome, mental handicap, mental health-diagnosed condition, dual diagnosis, physical health-communication deficit, medical condition, physical disability, procedural/equipment requirement, other developmental disability.
Population of children with special needs for 2001/02 is estimated at 52,450 (prevalence rate of 5.6%).

Comment
The ministry's *Service Plan* baselined the ratio for 2000/01 as 144/1,000. This rate will need to be updated to 119/1,000 to reflect a more accurate appraisal of the rate. (Point-in-time, rather than averaged data, were used to determine the rates).

Performance Measure	2001/02 Target	Actual	Variance
Percentage of children in care with special needs through Special Needs Agreements	N/A	8.0%	N/A

Analysis
Percentage of children in care with special needs through Special Needs Agreements has declined slightly from 8.6% in 2000/01 to 8.0% in 2001/02.

Trends
2000/01 — 8.6% of children in care with special needs through Special Needs Agreements
2001/02 — 8.0% of children in care with special needs through Special Needs Agreements

Definition / Rationale
Number of children in care with special needs through Special Needs Agreements as a proportion of total children in care with special needs, as of March each year.

Comment
The ministry's *Service Plan* listed the baseline for 2000/01 as 10.6%. This rate will be updated to 8.6% to reflect a more accurate appraisal of the rate.

GOAL 4 — To Promote an Environment where the most Vulnerable Children and Youth are Protected and Supported by Families and Communities

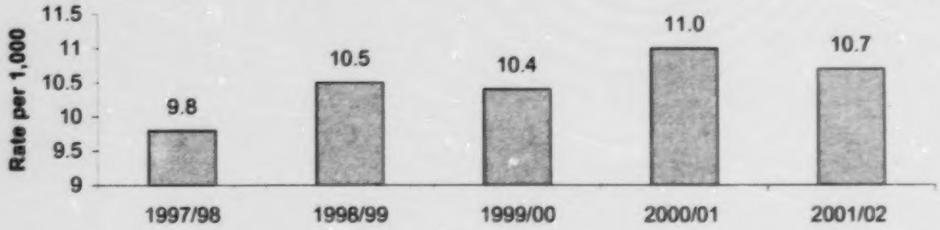
Objective 4.1 — To promote and support the capacity and responsibility of families to protect and care for their children.

Performance Measure	2001/02 Target	Actual	Variance
Rate of children in care (per 1,000 children under 19 years of age)	N/A	10.7	N/A

Analysis
Rate of children in care (per 1,000 children under 19 years of age) declined by 3% in the first six months of 2001/02 fiscal year relative to the previous fiscal year. Over the longer period of 1997/98 to 2001/02, the rate increased by 9%.

Trends

Rate of children in care (per 1,000 children under 19 years of age)



Definition / Rationale
Total number of children in care (as of March each fiscal year end) divided by all children under 19 years of age in B.C.
Families have the right and primary responsibility to protect and support the growth and development of children and youth. Therefore, one of the ministry's goals is to support, strengthen and develop family capacity, and to reduce the number of children in the care of the ministry.

Comment
By July 2001, the rate had increased to 11.3/1,000. Since July 2001, it has decreased to 10.7/1,000, a drop of 0.6 per 1,000, and the result of efforts to better support children and their families. Additional strategies and legislative changes in 2002/03 will result in the use of less disruptive responses to child protection concerns whenever possible, and an increase in the capacity of families and communities to respond to children in need of protection. In addition, the ministry will try to place more children for adoption and find permanent placements for other children with relatives.

Performance Measure	2001/02 Target	Actual	Variance
Rate of reported at-risk children and youth supported to stay at home	90%	91%	1% over target

Analysis
There has been a slight increase in this measure from 2000/01 to 2001/02. Evidence demonstrates that the ministry is improving towards operating optimally on this indicator. The ministry has made some initial changes that are reflected in this finding. The target is oriented towards monitoring for variance from this optimal performance.

Trends
N/A

Definition / Rationale
Percentage of children and youth subject to a protection concern that are supported to remain at home, rather than being removed. Calculation of the percentage is based on all cases within the fiscal year.
Within the context of a child's safety and well-being as the paramount consideration, children are best served by the least intrusive measures, such as family development and support services. Therefore, rather than bringing children into care, supporting children and youth to remain at home whenever possible is a ministry priority.

Performance Measure	2001/02 Target	Actual	Variance
Number of Aboriginal communities (designated by the Minister) served by Aboriginal agencies with delegated authority	111	114	3 over target

Analysis
The ministry has exceeded its target (as was set in the *2001/02 Performance Plan*) regarding the number of Aboriginal communities served by Aboriginal agencies with delegated authority. The ministry continues to make progress in working with Aboriginal communities in building the capacity to deliver services to their children and families.

Trends
In 2000/01, there were 18 delegation agreements representing 105 Aboriginal communities. By the latest count, there were 20 agreements representing 114 Aboriginal communities.

Definition / Rationale
Number of Aboriginal communities covered by delegation agreements. Agreements stem from the Director of Child Protection's legislated authority to delegate any or all of the Director's duties or functions to provide services and programs for children and families.
Supports the ministry's priority of enabling communities to develop and deliver services within a consolidated, comprehensive, community-based service.

Objective 4.2 — To improve the safety and well-being of children and youth receiving child protection services.

Performance Measure	2001/02 Target	Actual	Variance
Percentage of children in residential care placed in foster homes instead of other contracted residential resources (excludes Aboriginal children in delegated agencies).	N/A	74% (baseline)	N/A

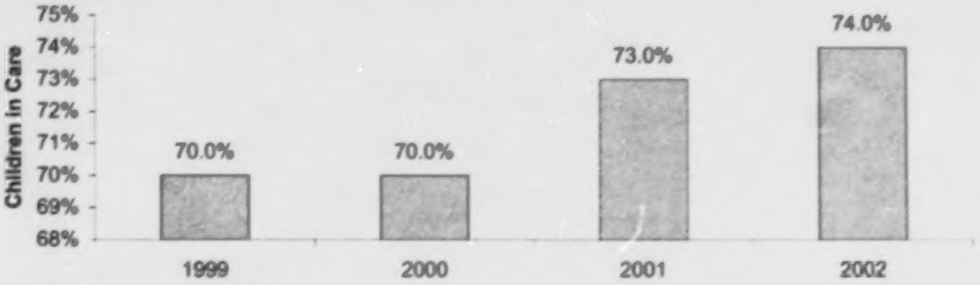
Analysis

This measure was established for the *2002/03 – 2004/05 Service Plan*.

In 2001/02, there was a slight increase in the number of children in residential care that were placed in foster homes. The percentage rose from a baseline of 73% in March 2001 to 74% in March 2002.

Trends

Percentage of children in residential care placed in foster homes instead of other contracted residential resources (excludes delegated Aboriginal children)



Definition / Rationale

The number of children in foster homes for March 2002 divided by the total number of children in residential care for March 2002.

This does not include Aboriginal children in delegated agencies.

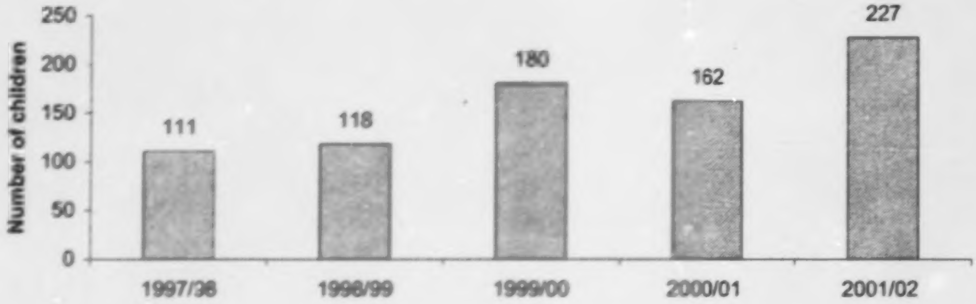
Placing a child in care in foster care (as opposed to other contracted resources) usually offers a more suitable environment for the child.

Performance Measure	2001/02 Target	Actual	Variance
Number of children in care adopted per fiscal year	225	227	2 adoptions over target

Analysis
The ministry exceeded its target (as was set in the *2001/02 Performance Plan*) regarding the number of children in care adopted per fiscal year.

Trends

Number of children in care adopted per fiscal year



Definition / Rationale
Total number of children placed with adoptive families — this is a count of the actual adoption placements made. Permanency for children in care is important since it provides children with a stable and loving family within which to grow and learn.

Performance Measure	2001/02 Target	Actual	Variance
Proportion of children and youth in continuing custody with a current comprehensive plan of care that is compliant with standards	60%	67%	7% over pre-set target

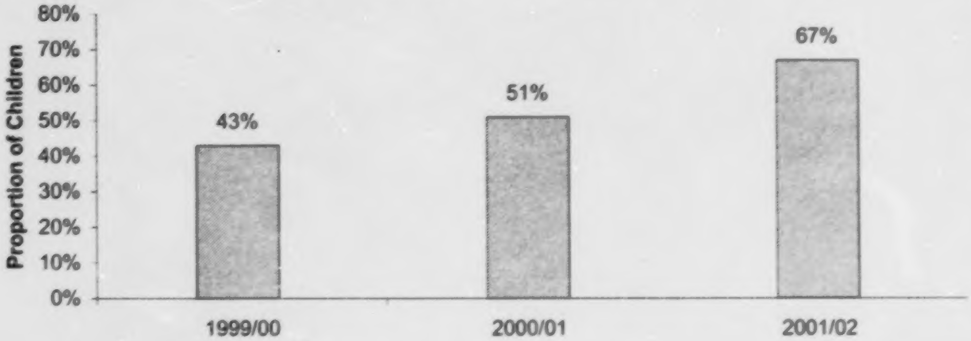
Analysis

Over the last three fiscal years, the ministry achieved significant increases in care planning for children (43% in 1999/00 to 67% in 2001/02).

The reasons for this increase include: the *Looking After Children* model and recent review of that model; specialized training and delegation for guardianship workers; and regular audits of offices performing guardianship functions.

Trends

Proportion of children and youth in continuing custody with a current comprehensive plan of care that is compliant with standards



Definition / Rationale

Measure refers to compliance with ministry program standards: Developing a comprehensive plan of care — this standard requires that a plan of care meeting be held, with appropriate people in attendance.

A service quality measure of child and family development programs.

Comment

This particular performance measure was initially based on care plans reviewed by the Children's Commission, and is specific to children in the continuing custody of the state. Data were obtained from the Children's Commission. The data provided are based on the ministry's audit unit data with respect to completed plans of care and for those specific standards indicated, and include both temporary and continuing custody wards.

GOAL 5 — To Plan and Deliver Services in the Most Efficient and Effective Manner

Objective 5.1 — To develop and implement a community-based governance model that promotes choice, innovation and shared responsibility.

Objective 5.2 — To develop and implement an organizational structure that supports government and ministry priorities, and optimizes public service renewal.

Performance Measure	2001/02 Target	Actual	Variance
Percent reduction in regulatory requirements	N/A	17,158 Baseline	N/A

Analysis

The baseline number of regulatory requirements administered by the ministry is 17,158 (as of June 5, 2001).

As part of government's deregulation initiative, a review of the *Human Resource Facility Act* (HRFA) and regulations was conducted, with the result that no changes were recommended, although changes were made to the requirements for the HRFA loan program.

A review of *Protocols for Foster Parents*, *Adoption Standards*, the *Child, Family and Community Services Manual* and the *Practice Standards for Guardianship* was undertaken and is expected to be completed in 2002/03.

The Early Childhood Development and Adult Community Living Services Division worked closely with the Ministry of Health Planning on revisions to the *Community Care Facility Act*, and will be involved in the development of new regulations.

Trends

N/A

Definition / Rationale

'Regulatory requirement' includes a compulsion, obligation, demand or prohibition placed on an individual, entity or activity in ministry legislation, regulation or policy.

The baseline is a count of regulatory requirements as of June 5, 2001.

Performance Measure	2001/02 Target	Actual	Variance
Percentage of vacant front-line regular Full Time Equivalent (FTE) child protection positions	15% reduction from 2000/01	41%	26% over target

Analysis

The average vacancy rate of Child Protection Workers in 2001/02 was 72.8 out of 1,286 FTEs, compared to 124 out of 1,286 FTEs in 2000/01. This is a reduction of 41%.

This reduction may be attributed to many factors which might include:

- National recruitment campaign conducted in April 2001
- The introduction of the Northern Recruitment Bonus
- The implementation of the Child Welfare Specialization in B.C. post-secondary institutions in 2000/01
- Government re-alignment, including changes within the Ministry of Children and Family Development (including the moving of positions as required)
- Move to post-employment training from pre-employment training
- Increased movement of existing staff into child protection positions
- Change in labour market conditions that favoured the employer.

Trends

The method of collecting data on vacant Child Protection Worker positions was changed in late 1999 to increase the consistency and regularity of reporting. Therefore, data prior to 2000 cannot be compared with data collected after that time.

Definition / Rationale

Average vacancy rate of Child Protection Workers for fiscal 2001/02 minus the same rate for fiscal 2000/01. The difference is expressed as a percentage of the vacancy rate for 2000/01.

The ministry has traditionally had difficulty in staffing its Child Protection Worker positions, especially in specific areas like the North (outside of Prince George). Consistent staffing of these positions means that the ministry can more effectively respond to the needs of children and families within the province.

Performance Measure	2001/02 Target	Actual	Variance
Percentage variance in budget forecasting	0.5%	1.2%	0.7% (see Analysis below)

Analysis

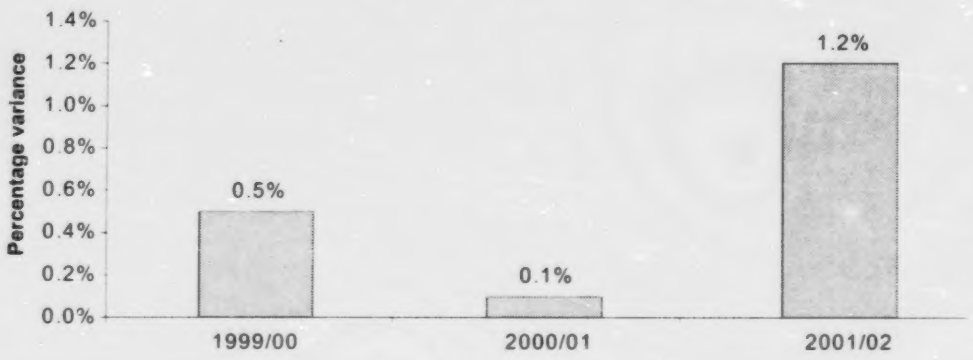
The ministry's actual expenditures for 2001/02 were 1.2% lower than forecasted. Forecasted spending was $1.542 billion. Actual spending was $1.524 billion (98.8% of the forecasted expenditure).

This reduction in spending is mainly due to two factors:

1. Costs to support children in care were reduced earlier than anticipated due to a reduction in caseload; and
2. A reduction in expenditures in the last quarter in line with the ministry's three year *Budget and Service Plans*. This includes reduced costs related to vacant positions that were to be eliminated in 2002/03.

Trends

Percentage variance in budget forecasting



Definition / Rationale

The ministry's actual expenditure is compared to the December forecast for that fiscal year. The difference (expressed as a percentage) is the variance for that fiscal year.

Performance Measure	2001/02 Target	Actual	Variance
Number of contracted agencies accredited	40	30	10 less than target

Analysis

Eight of the accredited agencies remain under contract with the Ministry of Children and Family Development. A total of 22 of the agencies delivered addictions services and were transferred to the Ministry of Health Services in September 2001 with the Addictions Services Branch.

187 contracted agencies are currently in the process of seeking accreditation for the first time.

In addition to the 187 contracted agencies noted above, 191 agencies are expected to begin the accreditation process in 2002/03.

Trends

1999/00 — 35 contracted accredited agencies
2000/01 — 20 contracted accredited agencies
2001/02 — 30 contracted accredited agencies

In 2000/01, some multi-service agencies allowed their accreditation for addictions services to lapse so that they could concentrate on having the entire agency accredited.

Definition / Rationale

This measure counts the number of agencies that are accredited within the fiscal year. The numbers of accredited agencies are cumulative (i.e., 30 agencies had their accreditation in 2001/02; not all of these agencies were newly accredited in 2001/02).

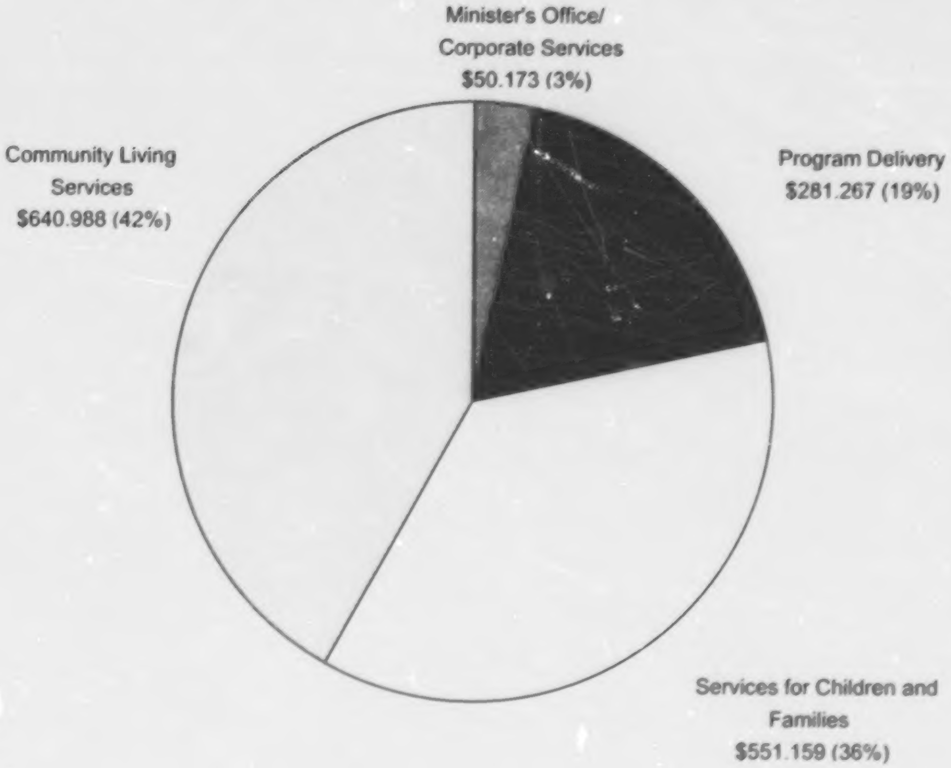
The ministry's commitment to accreditation illustrates its commitment to continually improving the quality of services delivered on behalf of the ministry and to improving their efficiency and effectiveness.

Report on Resources

(2001/02, Unaudited)

Ministry Expenditure* by Program Area

(*in millions)



2001/02 Resource Summary (Unaudited)

Ministry of Children and Family Development

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Minister's Office	587	N/A	587	486	101
Corporate Services	46,909	N/A	46,909	49,687	(2,778)
Program Delivery	290,397	N/A	290,397	281,267	9,130
Services for Children and Families	549,068	N/A	549,068	551,159	(2,091)
Community Living Services	663,909	N/A	663,909	640,988	22,921
Total	**1,550,870**	**N/A**	**1,550,870**	**1,523,587**	**27,283**
Full-time Equivalents (FTEs)					
Total	**5,093**	**N/A**	**5,093**	**4,797**	**296**
Ministry Capital Expenditures ($000)					
Information Systems	20,360	N/A	20,360	5,963	14,397
Other	2,367	N/A	2,367	2,318	49
Total	**22,727**	**N/A**	**22,727**	**8,281**	**14,446**
Consolidated Capital Plan Expenditures ($000)					
Services for Children and Families	13,420	N/A	13,420	8,336	5,084
Community Living Services	830	N/A	830	1,007	(177)
Total	**14,250**	**N/A**	**14,250**	**9,343**	**4,907**
Other Financing Transactions (Net Disbursements) ($000)					
Human Services Providers Financing Program	8,300	N/A	8,300	11	8,289
Total	**8,300**	**N/A**	**8,300**	**11**	**8,289**

The Resource Information for the 2001/02 fiscal year is presented on the same basis as the vote structure in the Estimates and Public Accounts for that year. Beginning in 2002/03, the Resource Information will be presented by Core Business Area to demonstrate the linkage between expenditures and the achievement of the ministry's goals and core business objectives.

A Time of Change for the Ministry

In 2001/02, the Ministry of Children and Family Development (MCFD) started a process of change that will transform its relationships with the people and communities it serves. Driving forces for changes are outlined in the ministry's new vision, mission and principles, and in the six strategic shifts that provide focus for the process of transforming the ministry.

Visit MCFD's Change web site for ongoing updates on the ministry's transition to community governance. www.mcf.gov.bc.ca/change/

From 2001/02 into 2004/05, the ministry will continue its extensive transition process to prepare for a new era in the development of both child and family services and community living services in British Columbia. The ministry is preparing to transfer service delivery responsibility to Regional Authorities for Child and Family Development, and a Provincial Authority for Community Living Services. It will develop and implement a framework for Regional Aboriginal Authorities. This work will be guided by the participation of Aboriginal community members in four ministry task groups —governance, funding, quality assurance and accountability. The framework will lay the necessary groundwork for the ministry's successful transfer of responsibility to Aboriginal communities for many of the services currently provided by MCFD.

A key element of the transition phase will be new and improved external relationships with clients, communities and service providers, and internal relationships across the ministry and within government. These relationships — and accompanying legislation, policy, financial management and accountability mechanisms — will lead to improved outcomes for children, families and individuals with developmental disabilities.

A successful transition requires a comprehensive plan that is focussed, clear, relevant and regularly adjusted to ensure successful implementation. Major challenges the ministry will face along the way are:

- Accomplishing the six strategic shifts approved by cabinet, through integration into the day-to-day work of the ministry
- Delivering on commitments made in the ministry's *Service Plan*
- Developing and implementing new governance models and service delivery structures in the community living, and child protection and family development sectors
- Providing clear expectations and accountability frameworks for the new governance models
- Delivering all these tasks within the provisions of the ministry's budget management plan.

To start the process, in 2001/02 the ministry developed a planning and implementation model (*MCFD Transformation*) that blends all of these deliverables into a single framework. Day-to-day as well as interim management will be incorporated into the *MCFD Transformation*. This will serve to:

- Provide leadership
- Devote ministry resources to the task of transformation as efficiently as possible
- Ensure that short-term and medium-term planning are all viewed through the transformational lens

- Focus on deliverables and a vision of our future state
- Assist government with public service renewal.

The *MCFD Transformation* model identifies four major transformation groups:

- Child and Family Development and Aboriginal Child and Family Development
- Community Living Services
- Corporate Accountability
- Corporate Infrastructure.

All groups will include a focus on Aboriginal service delivery and are driven by budgets, *Service Plan* deliverables and the strategic shifts.

The ministry has undertaken three key 'transformation' steps:

1. In moving to improved relationships with the communities it serves and service providers, the ministry will undertake an extensive consultative role by developing partnerships and creating appropriate committees for each of the key sectors. There will be several broad committees:
   - Children's Special Needs Task Force (time-limited)
   - Child and Family Steering Committee (including Aboriginal services)
   - Accountability Steering Committee
   - Infrastructure Steering Committee
   - Community Living Transition Steering Committee.

   Committee membership will include senior ministry/government officials, Aboriginal community members, and experts from the specific service area, including service providers and community leaders. In addition, an ongoing international Internet consultation network will be developed for the Accountability Group, with countries including the United States, Australia, New Zealand, England, as well as others.
2. The ministry has identified key projects for the next several months and is developing the activities related to those projects.
3. In considering governance models for the community living sector, the ministry identified an opportunity to partner with an existing coalition of community living groups favouring a provincial governance authority.

As the ministry moves forward in developing the new governance and service delivery models, it will continue to develop new six-month plans and monitor the plans' implementation. This will ensure plans are on time and on budget, and meet the deliverables outlined in the ministry's *2002/03 – 2004/05 Service Plan*.

Appendix A — 2001/02 Highlights of Public Information

In 2001/02, the ministry published or co-published a variety of child and family-related material. Many of the following materials can be viewed on the ministry's web site (www.mcf.gov.bc.ca/reports_publications.htm). Some of the publications are available in print through local ministry offices province-wide.

- *Brochure and Poster series: It's Easier than you think to Adopt a Child in BC*
- *Fact Sheets: Adoption*
- *Adoption Questionnaire Reference Guide*
- *Youth Agreements*
- *Nobody's Perfect*
- *Dealing with Difficulties in Foster Homes*
- *Make Children First Initiative (brochure series)*
- *Growing up Okay*
- *On-line newsletter: Autism Update*
- *On-line newsletter: Link — Community Living Services*
- *Practice Standards and Guidelines for Adoption*
- *Bulletin: Adoption Profiles*
- *Practice Principles: A Guide for Mental Health Clinicians Working With Suicidal Children and Youth*
- *Infant Development Program*
- *Parenting an Adopted Child*
- *Fetal Alcohol Syndrome (FAS) video and user booklet*
- *Foster Family Appreciation poster and certificates*
- *Conference material and display: Early Childhood Development*
- *Fact Sheets: The Early Years*
- *Facilitator's Guide for 'Useful Tips for Youth Leaving Care'*

Appendix B — Key Contact Information and Key Web Sites

Local Ministry Offices

- Contact information for local ministry offices is available in the provincial government blue pages of a phone book.
- A variety of general ministry contact information is posted on the ministry's web site (www.gov.bc.ca/mcf).
- The Ministry of Children and Family Development mailing address is:

  PO Box 9721 Stn Prov Govt
  Victoria, B.C.
  V8W 9S2

Helpline For Children

- Do you know a child under age 19 who needs help? Phone **310-1234** anytime, day or night. This is a toll free service and no area code is needed. If you call from a pay phone, there is no charge to call the operator. For more information please contact your local Ministry of Children and Family Development office (listed in the provincial blue pages in a phone book). Abuse can be physical, emotional or sexual. Abuse can be abandonment, desertion, neglect, ill-treatment, or failure to meet the physical, emotional needs or medical needs of a child. Abuse can be stopped.

- **Adopt One of British Columbia's Waiting Children** — ***Kids Can't Wait to Have a Family!***

  For adoption information phone toll free: **1 877 ADOPT 07 (1-877-236-7807)** or phone your local ministry office.

- **MCFD Change Site** — a ministry web site that provides ongoing updated information on the transition to community governance. www.mcf.gov.bc.ca/change/

- **MCFD Media Site** — a ministry web site that provides key statistics and facts about ministry programs and services. www.mcf.gov.bc.ca/media_site/

Appendix C — Glossary of Performance Planning and Reporting Terms

Annual Report — A *New Era* Update	A ministry document for fiscal year 2001/02. Although the *Budget, Transparency and Accountability Act* (BTAA) as amended takes effect for the 2002/03 fiscal year, and does not technically apply to reports for 2001/02, the intention is that the report should resemble future reports under the BTAA to the extent that is appropriate and practicable in the current circumstance of change of government and extensive reorganization.
Annual Service Plan Report	A ministry document, required by the amended BTAA from fiscal year 2002/03 onwards. This report may contain information normally found in a traditional annual report, with the additional requirement that a ministry's performance in meeting its service goals and targets is emphasized in the document. The document must link directly back to the ministry's corresponding service plan. In addition the document must contain a signed statement from the responsible minister to the effect that the minister is accountable for the actual results reported.
Core Business Area	A set of key activities, programs or budget areas related to the purpose, role and mandate of the ministry. Most ministries will have three to six core business or program areas.
Efficiency measure	Measuring the relationship between the amount of input (usually dollars or employee time) and the amount of service output or outcome of an activity or program.
Full-time equivalent (FTE)	The equivalent of one person working 1,827 hours in one year; includes employees whose salaries are paid directly from the Consolidated Revenue Fund. In the case of students, an FTE is the equivalent of one person taking the full annual course load.
Goal	Goals are the long-term ends that the ministry (or a business or program area) wants to achieve in fulfilling its mandate and mission. Goals must be realistic and achievable.
Input measure	A measure of the amount of resources (dollars and FTEs) used to undertake a function.
Mission	The reason for the ministry's existence. The statement identifies what the ministry does, why it does it, and for whom. It also reminds the public and other government entities of the unique purposes promoted and served by the ministry. The ministry's goals, objectives and strategies must be consistent with its mission statement.

Objectives	Objectives are concise, realistic, results-oriented statements of what service results a ministry or core service area achieves in the short term on the way to accomplishing its goals. Objectives must be stated in a way that clearly communicates what is to be achieved and measured or assessed, and when.
Outcome measure	Measuring the results and consequences or changes in conditions, behaviours or attitudes that indicate progress in achieving a program or ministry mission and goals. Outcomes may be immediate, ultimate, or somewhere in between.
Output measure	A measure of the level of service provided by a program (i.e., what and how much came out of a program or service). The measurable unit can be a number, percentage or ratio.
Performance measure	A performance measure (sometimes referred to as an indicator) can be used to measure/indicate the degree of success a ministry has in achieving its goals and objectives. When a measure has a specific numeric value attached to one aspect of the performance under consideration, it is typically referred to as a performance indicator.
Performance Plan	See Service Plan. Note: The amended BTAA (August 2001) adopts the term *Service Plan* to replace the previously used term, *Performance Plan*.
Performance target	Targets express pre-set, quantifiable performance levels to be attained at a future date.
Planning context	Summary information for critical thinking about, deciding on, and preparing a future course of action. A planning context assesses the ministry's internal strengths, weaknesses, challenges and opportunities. The context examines factors within the ministry that can positively or negatively affect its ability to accomplish its mission, goals and objectives. The planning context also assesses external forces that significantly affect the ministry.
Program	A set of activities with clearly defined, dedicated resources and common measurable objectives that are coherent and consistent.
Result	A consequence, issue or outcome of an action or series of actions. Often used synonymously with 'outcome' and/or 'output'.
Service Plan	A plan that describes a ministry's purpose or mission, its direction or vision, its goals and objectives, the operational strategies and resources it intends to use to achieve those objectives, and how it will know if it has been successful (i.e., through the use of performance measures and targets).

Strategic context	The strategic context of a service plan provides high-level information that describes where a ministry is now. It usually includes a ministry's vision, mission, values and planning context.
Strategic Plan	The high-level, government-wide corporate document that outlines the government's vision, mission, values and key priorities for the medium to long term.
Strategies	Strategies are the actions that describe how objectives are to be achieved. Other terms used to describe strategies are programs, projects, initiatives and activities, among others.
Values	The value statement expresses a ministry's core values or fundamental beliefs. Values define the ministry's management style, organizational values, and code of conduct for personal and organizational behaviour.
Vision	A clear and compelling picture of a ministry's preferred future; where the ministry is going, and where it wants to be. This vision must be sufficiently desirable and challenging to motivate and inspire ministry employees and influence decision-making.

Ministry of
Community, Aboriginal
and Women's Services

2001/02
Annual Report
A New Era Update

BRITISH
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Ministry of
Community, Aboriginal
and Women's Services

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Community, Aboriginal and Women's Services.
Annual Report. — 2001/2002

Annual.
Merger of: Annual Report/Ministry of Aboriginal Affairs, ISSN 1192-8425 and: Annual performance report/Ministry of Community Development, Cooperatives and Volunteers, ISSN 1499-0245.

ISSN 1703-3993 = Annual Report - British Columbia. Ministry of Community, Aboriginal and Women's Services

1. British Columbia. Ministry of Community, Aboriginal and Women's Services - Municipal services - British Columbia - Periodicals. 2. Community development - Government policy - British Columbia - Periodicals. 3. Women - Services for - Government policy - British Columbia - Periodicals. 4. Indians of North America - British Columbia - Government relations - Periodicals. 5. British Columbia - Cultural policy - Periodicals. I. Title.

HV109.B74B74 353.5'2793'0971105 C2002-960137-1

For more information on the British Columbia Ministry of Community,
Aboriginal and Women's Services, contact:
Communications Branch
6TH FLOOR
800 JOHNSON STREET
VICTORIA, BC
V8W 9N7

or visit the B.C. Government's Web site at
www.gov.bc.ca

Published by the Ministry of Community, Aboriginal and Women's Services
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Community, Aboriginal and Women's Services Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in the first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

George Abbott

Honourable George Abbott
Minister of Community, Aboriginal
and Women's Services
June 28, 2002

Minister of State Accountability Statement

I am the Minister of State responsible for the Community Charter and the Vancouver bid for the 2010 Winter Olympic Games and Paralympic Games and, as such, am accountable for the basis on which that portion of the annual report was prepared and for the results achieved since June 5, 2001.

Honourable Ted Nebbeling
Minister of State for Community Charter
and 2010 Winter Olympic Bid
June 28, 2002

Minister of State Accountability Statement

I am the Minister of State for Women's Equality and, as such, am accountable for the basis on which that portion of the annual report on women's services and child care was prepared and for the results achieved since June 5, 2001.

Honourable Lynn Stephens
Minister of State for Women's Equality
June 28, 2002

BRITISH
COLUMBIA

Ministry of Community, Aboriginal and Women's Services

This past year was one of change and refocus for the ministry I represent. Significantly, we embarked upon creating a new relationship between government and the citizens and communities of British Columbia.

This relationship was made possible by the synergy created by the new Ministry of Community, Aboriginal and Women's Services, formed from all or parts of seven previous ministries. This ministry brings together — in acknowledgement of their importance and interconnectedness — a range of policies, programs and services that share the vision of ensuring safer, healthier communities in British Columbia.

We accomplished a great deal in our first year, chiefly because our focus was on implementing new ways of serving British Columbians and the communities in which they live. Our emphasis is, and will continue to be, working in partnership and cooperation. Through the government's corporate initiatives such as the core services review, deregulation and the development of the ministry's three-year service plan, the Ministry of Community, Aboriginal and Women's Services was actively engaged in transforming its way of doing business and its priorities, so that empowering and collaborating with communities is our primary focus. This transformation reflects a combination of traditional roles of government and our government's priorities for economic growth, renewal and innovation — our *New Era* commitments.

We have intensified our efforts to build partnerships both in the delivery and the funding of programs and services, to ensure that communities can be responsive and efficient in meeting local needs. We have worked on building relationships with our stakeholders and clients, so that we can move together towards our vision.

For me, the privilege of serving British Columbians in one of the most diverse portfolios, has been a rewarding challenge this first year. We established a vision, mission and core functions for the ministry, and at its heart is enabling communities to reach their potential. From arts and culture to aboriginal economic initiatives, from municipal water and sewer infrastructure to library services, from elevator safety to improving conditions in Vancouver's Downtown Eastside, every day I have the privilege and opportunity to work with the people and communities of this great province.

George Abbott

Honourable George Abbott
Minister of Community, Aboriginal and Women's Services

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Ministry of Community, Aboriginal and Women's Services

I welcome this opportunity to include an update on the Community Charter and the 2010 Winter Olympic Games and Paralympic Games bid.

As the Minister of State responsible for these two portfolios, I can say this past year has been one of tremendous change and progress as our government moves to get our province back on its economic feet.

The Community Charter will strengthen and change the way municipalities work. Through 2001 and into 2002, the Community Charter was drafted and tabled in the legislature so the community at large could further contribute to its final form, expected in late 2002. It will bring local decision-making back to communities with greater autonomy for municipal councils, who in turn, will have increased accountability to their citizenry.

The 2010 Winter Olympic Games and Paralympic Games bid is our time to shine. Activities through 2001 and into 2002 concentrated on further technical planning and accumulating information from the 2002 Winter Olympics in Salt Lake City, Utah. It also saw the production of an economic impact report which forecast a dynamic economic spin off leading up to, hosting and following the Games. The outstanding results of our athletes have fueled the desire of British Columbians and Canadians like never before to bring the 2010 Games home to Vancouver and Whistler, and I am confident in our ultimate success.

Honourable Ted Nebbeling
Minister of State for Community Charter
and 2010 Olympic Bid

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Ministry of Community, Aboriginal and Women's Services

As we worked through the core services review and budget this year, my top priority was to ensure that we can continue to meet government's goals to provide critical programs for women and children escaping violence, and child care for British Columbia families. I am proud to say that we are developing strategies that will help us sustain these programs and services over the long term.

Last year, more than 14,000 women and children escaping violence found shelter in our transition houses and safe home programs; thousands used our counselling programs for women who experience abuse and children who witness it. These intervention services are the foundation for the work we do to keep women and children safe, and to help them rebuild their lives.

Our funding for child care providers supported more than 72,000 licensed child care spaces throughout the province. We maintained all ministry programs and grants for child care providers through the fiscal year while we worked on developing a sustainable child care system. The new system will be based on feedback we obtained in provincewide consultations in fall 2001.

Through these initiatives, and by working with colleagues in other areas of government, we are advancing the following goals set out for us in the core services review:

- to ensure that government programs address issues relating to women's economic and social equity;
- to provide intervention and prevention initiatives to stop violence against women; and
- to support the availability of child care spaces, providing families with child care options.

Honourable Lynn Stephens
Minister of State for Women's Equality

BRITISH
COLUMBIA

Ministry of Community, Aboriginal and Women's Services

The year of transformation as seen by the public was magnified severalfold within the ministry itself. Starting on June 5, 2001 when public servants arrived to work for a new ministry, and continuing beyond the end of the fiscal year reported here, it has been a time of unprecedented organizational change. And while this change was taking place, staff had to — and did — maintain the high level of service to our clients in the province of British Columbia.

We started out with more than 1,200 staff in 15 different headquarters locations and more than 60 other locations throughout the province. Payroll, finance, human resources, administration, Web sites (initially hosted by seven different servers) and other services all needed to be consolidated under one banner. Eleven assistant deputy ministers became six who are responsible for eight departments within the ministry. There were staff and offices moves literally every Thursday throughout the fiscal year as we sought to bring Victoria staff into just two office buildings a block apart.

With the discontinuation of programs as a result of the July 31, 2001, economic and fiscal update; the core services review; the Service Plan Summary and Workforce Adjustment announced January 17, 2002; and the February 19 budget and Service Plan, there were staff who received notices of surplus status in July 2001, January and February 2002. Ministry staff also took advantage of the Early Retirement Incentive Plan and the Voluntary Departure Plan offered, and more than 80 left the public service by March 31, 2002.

Throughout all of this disruption, staff not only maintained a high professional standard and quality service, but often went above and beyond the norm to initiate the new policies and programs discussed in this annual report, while their own working environment was undergoing its own dramatic change.

Bob de Faye
Deputy Minister
Ministry of Community, Aboriginal and Women's Services

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Year-at-a-Glance Highlights

June 2001

- The Ministry of Community, Aboriginal and Women's Services created from all or parts of seven previous ministries.
- Appointment of the Minister of Community, Aboriginal and Women's Services, the Minister of State responsible for Community Charter, and the Minister of State for Women's Equality.

July 2001

- On July 18, the Premier assigned Minister of State responsible for Community Charter, the responsibility to "aggressively support and champion" the 2010 Winter Olympic Games and Paralympic Games bid.
- The Compensation Contribution Program, which assists licensed group child care centres to attract and keep staff through wage top-ups, was granted approval to fund organizations on its waitlist. This allowed 257 waitlisted programs consisting of 4,736 child care spaces to be funded.

August 2001

- Introduction and passage of the Community Charter Council Act and formation of the 12-member Community Charter Council of municipal and provincial representatives to help consult and review draft legislation to be introduced in 2002.
- The *Housing Construction Elderly Citizens' Act* was repealed to remove barriers and conditions regulating sale, change in youth and other transactions involving seniors' housing and care facilities partially funded through grants under the Act. The repeal gives non-profit housing societies freedom to use existing equity to obtain financing for renovation or redevelopment or to purchase an additional building for conversion to non-profit housing.
- Legislation that increases the Physical Fitness and Amateur Sports Fund from $22 million to $44 million over four years.
- Legislation that doubles the First Citizens' Fund from $36 million to $72 million over four years.
- Legislation that establishes a new Olympic Arts Fund to support artistic and cultural activities to promote British Columbia's bid to host the 2010 Winter Olympic Games and Paralympic Games. Four annual contributions of $5 million were approved.
- Repeal of sections of the *Child Care BC Act* that did not provide for funds to be targeted according to need. The changes allow the ministry to provide a more sustainable, targeted child care program that provides better access to quality, safe and affordable child care options for parents in British Columbia.

September 2001

- The Union of B.C. Municipalities' annual convention, held the week of September 24 in Vancouver, was unsurpassed in terms of the ministry's involvement. The three Ministers maintained a challenging agenda, meeting with 68 local government delegations from around the province. The Minister of Community, Aboriginal and Women's Service and Minister of State responsible for Community Charter gave an unprecedented 14 speeches to convention audiences on topics ranging from the Community Charter to library services, from community safety to affordable housing.

- The Minister of State for Women's Equality launched a consultation on child care, including an online questionnaire to gather community-based input and to inform the development of options to meet the government's *New Era* child care commitments.
- The ministry approved 12 child care facilities and equipment grants totalling $815,000. Project funding was in partnership with communities, with the Province providing 25 per cent and the project sponsors, 75 per cent.
- As the provincial lead for the tripartite Vancouver Agreement, ministry officials joined their federal, City of Vancouver and community counterparts for a mid-term planning workshop. The priorities for the Vancouver Agreement are health care and housing, revitalization and community capacity-building in the Downtown Eastside.
- The ministry's Organizational Transformation and Development Branch was created to develop programs and practices that increase employee satisfaction and organizational effectiveness. Since its inception in September 2001, the Branch has designed and delivered training and development initiatives, reward and recognition programs and has been instrumental in leading the transition and renewal of the ministry.

October 2001

- As part of the government-wide deregulation initiative, the ministry identified 35 items, such as redundant and obsolete regulations, to be eliminated immediately to cut red tape. The deregulation count revealed the ministry had responsibility for 36 statutes, 137 regulations and 84 policies that contain 80,423 regulatory requirements.
- The ministry's Multiculturalism staff provided Anti-racism Response Training sessions for more than 75 front-line workers from non-profit and public sector agencies.
- The Office of the Fire Commissioner began Phase II of its recently implemented online fire reporting and statistical database.

November 2001

- The ministry received more than 4,000 responses to its child care options questionnaire as of the October 31 deadline.
- On November 23, the Minister of Community, Aboriginal and Women's Services participated in the announcement of host cities for upcoming sports events under the BC Games umbrella. Abbotsford and Port Alberni will host the 2004 Summer and Winter Games, respectively. In 2006, Kamloops will host the Summer Games and Trail will host the Winter Games.

December 2001

- Minister of Community, Aboriginal and Women's Services presented Phase I of the ministry's core services review to his Cabinet colleagues for approval on December 5. His presentation outlined the ministry's mandate, core functions, and key shifts. These elements now form the foundation for how the ministry supports programs and services to communities throughout the province.
- On December 15, the 2001 Provincial Child Care Survey of licensed child care providers was completed. Three previous surveys have been done, most recently in 1997, and the 2001 survey was designed to provide data for tracking and trends analysis.
- Fifteen "green" water and sewer infrastructure projects totalling nearly $37 million were announced December 17. The projects, with a focus on ensuring safe drinking water in communities, are funded under the $800 million Canada/British Columbia Infrastructure Program.

- On December 18, the Governments of Canada and British Columbia signed an Affordable Housing Agreement which will provide $177.4 million over five years to help increase the supply of affordable housing in the province. Federal funding of $88.7 million, matched by a provincial contribution of at least an equal value, demonstrates both governments' commitment to work together to address the affordable housing problem.

January 2002

- On January 17, the Premier and Minister of Finance released ministry Service Plan Summaries and announced workforce adjustment measures. The Ministry of Community, Aboriginal and Women's Services had a reduction of 55 positions (full-time equivalents) by March 31, 2002.

February 2002

- On February 19, the provincial budget for the three upcoming fiscal years was released. The ministry's housing, women's services, child care and local government grants programs have been protected from reduction in fiscal year 2002/03. Although the ministry will face reductions of approximately 30 per cent, most of this impact will be delayed until the 2004/05 fiscal year.
- The online Aboriginal language resource, FirstVoices.com, was officially launched February 22 by the Minister of Community, Aboriginal and Women's Services, Chairman Chief William Cranmer and Language Specialist John Elliott representing First Peoples' Heritage Language and Culture Council.
- Representatives of the Olympic Bid Secretariat and the Vancouver 2010 Bid Corporation went to the Salt Lake City 2002 Winter Olympic Games to observe, network, and gather information, particularly on the impact of the Games on local business and housing. Expenses for most of the contingent were paid for with sponsorship contributions.
- The Ministry's Communications branch launched a new Intranet site to ensure staff were kept informed on key initiatives including: progress on the core services review; updates on the workforce adjustment initiative; and the ongoing process of transition across the ministry.

March 2002

- On March 9, the Premier announced protection of local government funding in the upcoming fiscal year. Unconditional grants for municipalities and regional districts total $36 million for 2002/03.
- On March 13, the Premier and the Minister of Community, Aboriginal and Women's Services announced funding for almost 700 new units of non-profit housing across the province. There are now 1,383 units of non-profit housing under construction, and 673 units have been completed since October, for a total increase of 2,753 units.
- The Minister of State for Women's Equality announced one-time funding to address cost pressures faced by transition houses, and counselling services for women and their children who have experienced violence or witnessed abuse. The one-time funding totals $954,405 and reflects savings in the ministry's budget for 2001/02, achieved through managing resources efficiently.

Ministry Role and Services

The ministry was established June 5, 2001 through the amalgamation of programs from seven former ministries. The Minister of Community, Aboriginal and Women's Services shares responsibility for specific initiatives with two Ministers of State: one having responsibility for Women's Equality and the other responsible for development and implementation of the Community Charter and winning the 2010 Winter Olympic Games and Paralympic Games bid.

The Ministry meets its objectives through the work of eight departments:

- Local Government
- Safety and Standards
- Housing and Building Policy
- Aboriginal, Multiculturalism and Immigration Programs
- Community Services and Culture
- Women's Services and Child Care
- Olympic Bid, Community Initiatives, and Vancouver Agreement
- Corporate Services

The Ministry is also responsible for more than 30 Crown corporations, agencies and boards. These are listed in Appendix 1.

Vision

Safe, secure and healthy communities.

Mission

Working in partnerships to support safe, secure and healthy communities by:

- establishing appropriate legislative, regulatory and policy frameworks;
- promoting and protecting provincial interests by funding performance-based services for communities; and
- delivering innovative services through e-government and third party service providers.

Values

- Focus on our clients
- Create beneficial partnership opportunities
- Use resources wisely
- Treat employees and clients fairly and equitably
- Create a culture of accountability, innovation and excellence

Goals and Core Business Areas

The ministry undertakes a wide variety of functions established in legislation, regulation or policy. These functions are fundamental to achieving the ministry's stated goals and objectives.

The Ministry of Community, Aboriginal and Women's Services is organized into five core functions:

- Effective local government, aboriginal and women's services
- Safety and standards
- Citizen access to government
- Services for communities and First Nations
- Corporate Services

To deliver its core functions, the ministry is making four strategic shifts:

- *from provincial control to local autonomy* — through the Community Charter.
- *from direct delivery of programs and services by provincial government employees, to delivery by communities and third parties* — while many programs and services are already delivered in this way, this approach will be made consistent throughout the ministry. This shift may also involve the creation of independent entities for direct delivery in some cases.
- *from unfocused funding to performance-based funding* — the ministry will fund activities that efficiently deliver the results that have been identified to meet its mandate of supporting safe, secure and healthy communities.
- *from prescriptive regulation to objective-based codes and standards* — the ministry will move its clients from heavy prescriptive regulations to objective-based codes and standards.

The Ministry of Community, Aboriginal and Women's Services is organized into eight departments.

Olympic Bid, Community Initiatives and Vancouver Agreement Department

The Olympic Bid Secretariat represents the Province of British Columbia as a member partner in the Vancouver 2010 Bid Corporation.

Other partners are the City of Vancouver, the Resort Municipality of Whistler, the Canadian Olympic Association and the Government of Canada, along with many corporate sponsors.

Their mutual vision is to create sustainable legacies for sport development, our host communities, our province, our country and the global Olympic family by hosting an outstanding Olympic Winter Games and Paralympic Games.

The Vancouver Agreement is a five-year, three-party agreement among the federal, provincial and municipal governments. It is aimed at improving the social and economic conditions in all Vancouver communities, with the first focus on the Downtown Eastside. The Ministry of Community, Aboriginal and Women's Services leads the province's participation in the Vancouver Agreement.

Local Government Department

The Local Government Department is responsible for maintaining a modern legislative framework and for providing focussed programs and advice to BC local governments and public libraries.

A major strategic initiative of the department is developing a framework for open, accountable and financially responsible local governments through the proposed Community Charter. The Charter seeks to strike an unprecedented partnership between municipalities and the province, where municipal councils will look after community governance and the province will address the public interest of British Columbia as a whole. The Charter will build on the *Local Government Act* and reinforce in law that municipalities are an order of government in British Columbia. The Charter will give municipalities greater powers and new freedom to take action and make decisions.

The Local Government Department is changing its focus from the regulation of local governments to the provision of advice and focussed programming within a legislative framework which broadly empowers local governments.

The Department provides support and service in the following areas:

- Community Transition works with local governments in communities facing serious economic challenges to manage the impacts of industry restructuring
- Governance and Structure supports implementation of new legislation, changes to local governance and boundaries, advises on complex local government issues, and works to build relationships between local governments and First Nations
- Intergovernmental Relations and Planning supports community and regional strategic planning, inter-governmental relations and dispute resolution.
- Policy and Research supports the development of local government and safety policy, ministry legislation and local government programs.

- Public Library Services supports public libraries through grants, advice and information, training initiatives, and strengthens partnerships with other governments, public agencies and the private sector to foster financial support for libraries.
- Services and Infrastructure supports local governments through statutory approvals, information and advice to protect the administrative and financial viability of local governments, infrastructure planning, infrastructure construction grants, and partnerships with other government authorities to deliver programs that improve local infrastructure.

Safety and Standards Department

The Safety and Standards Department administers public safety programs. Activities include:

- regulation
- inspection and monitoring
- licensing and certification
- enforcement
- accident investigation
- qualifications examination
- public education

The department is divided into two sections:

- Safety Engineering Services is responsible for programs that encourage safety in the design, manufacture, construction, installation, operation and maintenance of intra-provincial railways, aerial tramways, electrical equipment and systems, boilers, pressure vessels, propane and natural gas equipment and systems, amusement rides, escalators, elevators in multi-unit residential and commercial buildings and at construction sites, and industrial and institutional refrigeration systems. The department is headquartered in New Westminster, with offices in 30 locations throughout the province.
- The Office of the Fire Commissioner is the senior fire authority in the province, responsible for fire safety legislation, major fire investigation, provincial response to major fire emergencies, advice to local fire departments on delivery of fire protection services, training and public fire safety education. There are four regional offices located in Kamloops, Prince George, Cranbrook and Victoria. The Victoria regional office serves Vancouver Island and the Lower Mainland.

Over the next two years, both the Office of the Fire Commissioner and Safety Engineering Services will carry out strategic policy shifts toward governance and away from direct service delivery. Modernized legislation will be introduced in both areas to streamline provincial safety codes and standards, and services not part of the essential role of the province will be transferred to other agencies or levels of government. Public education and communication with stakeholder groups in the safety field will be improved. Provincial policy leadership will be strengthened and roles and responsibilities will be clarified to enable accountability in achieving positive outcomes in public safety.

Housing and Building Policy Department

The department consists of two major areas of responsibility:

- development of provincial housing policy, and
- development and administration of the provincial building regulatory system.

The Housing Policy Branch is responsible for developing provincial housing policy, strategies and programs; providing policy advice on specific issues such as the residential construction industry, leaky condos, housing markets, social housing, homelessness, housing for persons with special needs, and the role of local government in housing. The branch also publishes research and guides on housing issues.

The Building Policy Branch provides policy advice on British Columbia's building regulatory system to advance building safety and accessibility in the province.

As the administrators of the BC Building Code, branch activity has focused mainly on the development, maintenance and application of these regulations, and acting as the secretariat to the BC Building Code Appeal Board.

In addition, the department works closely with BC Housing and the Homeowner Protection Office on policy, legislation, program development and communications issues.

- BC Housing provides housing assistance programs for low and moderate income households and works in partnership to create housing options for the most vulnerable in our communities.
- The Homeowner Protection Office licenses residential builders and building envelope renovators and provides advice and financial assistance to owners of water-damaged homes (leaky condominiums).

There have been several strategic shifts in this department as a result of the core services review. Housing policies are now focussed on initiatives that make it possible for the private sector to meet the housing needs of most British Columbians. Housing program expenditures are only targeted to initiatives where significant equity contributions are made by local government and the private and non-profit sector. This year also marked the shift to new housing units being targeted to the most vulnerable British Columbians.

In building policy, a shift from prescriptive to objective-based standards is underway and will evolve over the development of the next British Columbia Building Code.

Community Services and Culture Department

The Community Services and Culture Department is responsible for a variety of programs and services that support the quality of life and self-sufficiency of communities throughout British Columbia.

These responsibilities include support for the arts, heritage, sport and fitness, and the Government Agents branch.

The department provides services through four branches:

- Cultural Services develops policy and administers programs to support arts and culture, and provides management for the British Columbia Arts Council.

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- Heritage is responsible for preserving historical artifacts, providing public programs in 30 provincial historic sites. The branch works with federal and local governments to implement the Historic Places Initiative — a national register of historic places.
- Sport and Physical Activity works with partner organizations to promote health and well-being by supporting opportunities to increase access to sport and physical activity.
- Government Agents provide customers with hundreds of government services in over 50 program areas. Services are available over the counter, via telephone or fax, and over the Internet using the Community Access Terminals (CATs) in 58 offices across B.C.

Strategically the branches in this department will continue a shift to third party delivery and performance based funding. This direction began some years ago with the establishment the BC Arts Council in 1996 to make funding allocations to the arts and culture community; the introduction of legislation to empower local government to manage heritage and the devolution of sport and physical activity program delivery to various non-profit organizations for the delivery of various sport programs.

The biggest impact will be in the area of heritage programs where there will be an increased focus on community activity. The strategic goal of the branch will be to build capacity at the community level, in both the public and the private sector.

As the emphasis continues to shift away from direct delivery, branches are required to support the development of key partnership agreements and focus on standards, policy and strategic issues.

In the area of integrated service delivery the Government Agents Branch will work in partnership with the Ministry of Management Services to delivery a service strategy for government.

Women's Services and Child Care Department

This department includes:

- The Stopping the Violence and Regional Programs branch is responsible for funding, managing and administering programs to support community-based violence prevention projects, counselling programs for women who have experienced violence, transition house programs for women and children leaving abusive relationships, counselling programs for children who witness abuse, financial support for women's centres and the bridging employability program.
- The Women's Policy branch provides policy analysis and research support to government on issues that affect women. Policy priorities include economic, health and justice issues for women. Working with other ministries and jurisdictions, the branch identifies and analyzes issues of concern to women and participates in initiatives to support women's equality. Branch staff work to integrate gender analysis in government legislation, policies and programs by providing information, advice and support to ministries. The branch monitors progress in achieving social and economic equality for women, and provides information and policy analysis to the Minister of State for Women's Equality.
- The Child Care Policy branch provides policy and legislation development, analysis, evaluation and research on child care issues.
- The Child Care Programs division manages and administers child care programs that include: the compensation contribution program; facilities and equipment grants; emergency repair, relocation and replacement grants; child care resource and referral program; and the out-of-school funding assistance program.

As a result of the core services review, the Women's Services and Child Care Department is making a number of strategic shifts. Funding for Women's Centres, Bridging Employability Programs and Child Care Resource and Referral Centres will be eliminated. Transition planning to assist contractors who are funded under these programs to move to new funding models is underway.

Programs are being streamlined: three child care operating programs will be streamlined into one operating grant and two child care capital grants will be streamlined into one.

In addition, all contracts are being redesigned to implement performance-based contract management.

Aboriginal, Multiculturalism and Immigration Programs Department

The Aboriginal, Multiculturalism and Immigration Programs Department provides policy and program development for multiculturalism and immigration, and implements the Agreement for Canada-British Columbia Co-operation on Immigration. The department also seeks to improve the socio-economic opportunities and quality of life for Aboriginal people and their communities.

There are three divisions providing aboriginal, multiculturalism and immigration services:

Immigration Division

The Immigration Division is responsible for the management and implementation of the Agreement for Canada-British Columbia Co-operation on Immigration. The division works to maximize the social and economic benefits of immigration to British Columbia by ensuring that the province's interests regarding immigration levels planning and legislation, as well as immigration policy changes, are heard at the federal level.

The Immigration Division is also responsible for the design and delivery of the Provincial Nominee Program, and strategic initiatives aimed at mitigating barriers to the recognition of foreign credentials faced by foreign-trained, skilled workers.

The strategic shifts have resulted in renewed emphasis on strengthening the economic development of the province by:

- Strengthening partnerships with the federal government to support and facilitate the settlement and integration of highly skilled and qualified immigrants to support B.C.'s economy;
- Facilitating the achievement of the full potential of these highly skilled immigrants;
- Developing business plans that include clear measures and targets.

Settlement and Multiculturalism Branch

The Settlement and Multiculturalism Branch oversees the planning, funding, implementation and management of anti-racism, multiculturalism and immigrant settlement programs. The branch assists newcomers in adapting to Canadian society through funding contracts with 100 third-party agencies providing essential settlement services.

The Settlement and Multiculturalism Branch works closely with the Immigration Division and the Aboriginal Directorate.

The Aboriginal, Multiculturalism and Immigration Programs Department reorganized two branches, Community Liaison Branch and Multiculturalism B.C., into the newly created Settlement and Multiculturalism Branch. The integration of the two branches reflects government shifts to better define services, streamline funding and making measurable the results of service and funding.

By implementing the new branch, the following objectives are in line with government strategic shifts:

1. To ensure funding is targeted to provide recent immigrants to Canada with high quality service where the need is greatest, in light of diminishing resources.
2. To implement a performance-based funding system with built-in accountability and measurable outputs (and where possible, outcomes) over an established period of time.
3. To maximize value-for-money in funding decisions.
4. To provide contracted community service providers with dependable, impartial, professional, and efficient public service, according to a set of values and principles.
5. To create and sustain a new model of partnership with the ministry's third party delivery agents; one that refocuses resources away from administration and organizational support, and towards direct, front-line service delivery.

The branch focuses on:

- Anti-racism and multiculturalism — leadership and public education;
- Program and regional operations — delivery of programs to third party providers;
- Performance management unit — performance-based monitoring, program compliance, evaluation and design;
- Program integration and stakeholder relations — program integration and community relations.

Aboriginal Directorate

The Aboriginal Directorate provides performance-based and accountable leadership in developing sound government policy, and works to increase participation of Aboriginal people and communities in the life and economy of British Columbia. The directorate works in partnership with provincial ministries, Aboriginal organizations and the federal government to promote culturally responsive, co-ordinated and effective programs and services to Aboriginal people in B.C.

The Aboriginal Directorate works to identify initiatives and opportunities that will support integrated service delivery, improve one-stop access to information on programs and services, provide access to social and economic development opportunities, and promote Aboriginal language preservation. The Directorate will facilitate and support other key fundamental business shifts including community leadership, investment and capacity-building, and electronic service delivery.

Corporate Services Department

The six branches of the Corporate Services Department — Corporate Policy; Finance and Administrative Services; Human Resources; Information and Privacy; Information Systems; and, Organizational Transformation and Development — along with the Office of the Deputy Minister and Communications Branch, provide common services to the ministry as a whole.

Update on *New Era* Commitments

1. **Examine all service agreements with Aboriginal communities (health, education, etc.) and develop a strategy in conjunction with the Minister of State for Intergovernmental Relations and the Ministry of Attorney General; and recommend mechanisms to improve the delivery of services to all Aboriginal communities. (Premier's service letter)**

Status

Comprehensive inventory of service agreements across government agencies completed. Co-ordination and federal funding for such service agreements will be addressed through the Aboriginal Directorate's provincial strategy for engaging the federal government on Aboriginal programs and services.

2. **Double the First Citizens Fund to $72 million to support native friendship centres, student bursaries and economic development programs. (*New Era* commitment)**

Status

Legislation amending the *Special Accounts Appropriations and Control Act* was passed in August 2001. The amendment included changing the clause relating to the First Citizens Fund to establish a schedule for doubling the fund by 2004/05. Under the legislation, the initial deposit of $9 million was made as of March 31, 2002.

3. **Increase efforts to protect and promote aboriginal languages. (*New Era* commitment)**

Status

The doubling of the First Citizens Fund as discussed above has allowed the Province to commit to continued and secured annual funding of $1 million for Aboriginal language preservation. This will be a 15% increase over the current annual funding

An assessment of the status of Aboriginal languages in British Columbia is underway by the First Peoples' Heritage, Language and Culture Council. The assessment will determine language usage rates for each language and inventory activities already completed and resources developed. This process should clarify the extinction risk faced by each language.

www.FirstVoices.com, the language resources Web site of the First Peoples' Cultural Foundation, is being implemented and will be expanded to the full range of Aboriginal languages in British Columbia.

4. **Create a permanent First Citizens Forum that will provide aboriginal citizens living on and off reserves a direct means to communicate with government about their priorities and ideas to materially improve their quality of life today. (*New Era* commitment)**

Status

Internal planning and discussion took place in 2001/02 in preparation for the First Citizens Forum. This event will be hosted by the Premier on October 11, 2002 in Vancouver.

5. **Increase program funding, together with the federal government, to solve urban challenges and build capacity. (*New Era* commitment)**

Status

The Ministry's Aboriginal Directorate prepared a draft provincial strategy for securing increased funding and co-ordination with respect to Aboriginal programs and services in British Columbia. This strategy is being developed in conjunction with other ministries including Health Planning, Children and Family Development, Treaty Negotiations Office, Sustainable Resource Management and Education.

Once this strategy has been approved, concerted efforts will be made to engage the federal government on improving programs and services for Aboriginal people.

6. **Devote special attention and resources to addressing the challenges and needs of aboriginal women and youth, and to helping aboriginal families bridge the "digital divide." (*New Era* commitment)**

Status

The Premier's Technology Council has met with some Aboriginal communities. A pilot project is underway with the Nisga'a that will lead to network connections being established among the four Nisga'a communities. This project will potentially involve private sector cooperation and may be seen as a pilot project for western Canada.

7. **Review the Homeowner Protection Office and work with the Minister of State for Intergovernmental Relations on federal/provincial funding issues. (Premier's service letter)**

Status

The ministry's plan/work for the review of the Homeowner Protection Office is being linked to the review being undertaken by the Crown Agency Secretariat as part of the Core Services Review process. Extensive work in preparation for the review of Homeowner Protection Office occurred during 2001/02, and the Core Services Review Committee is expected to conclude its review in the near future.

In mid-August 2001 the Minister met with the federal Minister to negotiate increased federal funds for leaky condominiums programs. Subsequently, the Minister met with the President of Canada Mortgage and Housing Corporation and furthered discussions on federal/provincial funding issues. Negotiations are ongoing. While the provincial government will continue to pursue more federal involvement in assisting owners of leaky condos, these discussions are not expected to result in a major new compensation program.

8. **Review Housing, Homeowner and Building Code issues and rationalize regulation of the construction/housing industry, and develop a plan to deal with the immediate "leaky condo" problem. (Premier's service letter)**

Status

A strategy is being developed to re-establish a well-defined and well-functioning building regulatory system that recognizes that the British Columbia Building Code is a focal point. The strategy being developed addresses practical concerns of participants in the building regulatory system and works toward consistent application of and compliance with building standards.

An inter-ministerial review of regulation of the construction/housing industry is underway. Statutes and regulations have been catalogued and categorized and stakeholder submissions have been reviewed. Government is making substantive progress in finding multifaceted approaches to reduce regulations affecting the construction/housing industry.

To address the leaky condominium situation, the Ministry of Community, Aboriginal and Women's Services, through the Homeowner Protection Office, is continuing to offer no-interest loans and PST Relief Grants to assist owners of leaky homes. The provincial government will continue to press the federal government to provide its fair share of assistance. It will also continue to work towards improving the building liability system and contributing to the Attorney General's review of joint and several liability.

The progress made on priorities 7 and 9 are also contributors to the status of this priority.

9. **Implement a flexible, innovative program to increase the supply of affordable housing. (*New Era* commitment)**

Status

Much has been done this year to develop and implement a flexible and innovative housing program. On December 18, 2001, British Columbia became the first province to sign an Affordable Housing Agreement with the Government of Canada. Through this agreement $177.4 million over five years will be used to help increase housing options across the province.

Partnerships are key to increasing the supply of affordable housing. On March 13, 2002, the provincial government announced that it would move forward with almost 700 new units of non-profit housing across BC. Twenty non-profit societies will develop these housing developments worth about $100 million in communities as diverse as Langford, Lillooet, Williams Lake and Vancouver. Private, non-profit, community, municipal and federal partners contributed $49 million in land and equity toward the new projects, helping to maximize the number of new units that provincial housing dollars was able to fund.

The Ministry of Health Services and the Ministry of Community, Aboriginal and Women's Services, through BC Housing, have been working to develop cost-effective, appropriate housing alternatives to residential care facilities. A new program, Supportive Living BC was announced on April 22, 2002 to deliver 3,500 supportive living units throughout B.C. over the next four years for seniors and people with disabilities who have low or modest incomes.

10. **Double the Physical Fitness and Amateur Sports Fund to $44 million, to promote physical fitness and participation in amateur sport. (*New Era* commitment)**

Status

Legislation enabling the establishment of the Olympic Cultural Fund of $5 million, and the doubling of the Physical Fitness and Amateur Sport Fund, was passed on August 27, 2001. Funds from this source will flow into the general budget of the Sport and Physical Activity Branch and will go toward the sport priorities outlined in the province's new Sport and Physical Activity Policy.

11. Increase funding for the British Columbia Arts Council to promote and support B.C. arts, music, artists and culture. (*New Era* commitment)

Status

Funding for the Arts Council has been maintained for fiscal 2002/03. The ministry remains committed to the New Era promise to increase funding for the Arts Council and will be reviewing options in the course of the next year.

12. Examine the feasibility of a strategic plan for library services throughout British Columbia. (Premier's service letter)

Status

Work on a process for developing a multi-year strategic plan for provincial involvement in the development and support of library services will be initiated in 2003. This process will include consultation with stakeholder groups, including library boards, local government and the public, and will be completed in 2004/05.

13. Aggressively support and champion British Columbia's bid to host the 2010 Winter Olympics. (*New Era* commitment)

Status

The Olympic Bid Secretariat was established to provide government support to the Vancouver 2010 Winter Games Bid Corporation and oversee the interests of the province. A major underwriter of the Bid, the Secretariat is responsible for cross-government and intergovernmental coordination of activities around the bid. The Secretariat is represented within the Bid Corporation and works closely with the Legacies Now Society to build sports development programs in communities across B.C.

A March 2002 Ipsos-Reid poll showed that 82 per cent of British Columbians support the Vancouver bid. To build on that support, more than 80 business and community meetings have been held, with many more planned.

The BidCorp has set up 30 work groups with more than 400 volunteers to research and develop venues and provide information for the Bid Book. The business community has provided staff, space and expertise to help promote the bid. Telus and Molson Canada have signed on as major sponsors, with many others expected.

As of March 31, 2002 the Bid Corporation was on its way to meeting its $34 million budget. Both the federal and provincial governments demonstrated their commitments to securing the Games with matching $9.1 million contributions and a growing number of corporate supporters have put the $34 million goal in reach.

A $5 million Olympic arts fund to support artistic and cultural activities to promote the Games was created in August 2001. The fund will increase to $20 million over four years.

Securing the bid is a cross-government initiative with senior representatives of key ministries meeting regularly for input. A cross-government reporting structure has been established to ensure timely cooperation and accountability.

14. **Pass a Community Charter to outlaw provincial government "offloading" of costs onto municipal governments, and to give local governments greater autonomy and better planning tools to reduce pressure on property taxes. (*New Era* commitment) Finalize and implement the Community Charter. (Premier's service letter)**

Status

In August 2001, the *Community Charter Council Act* received Royal Assent. The Act provided for the appointment of 11 members to the Community Charter Council. In addition to the minister, four members represent the Union of British Columbia Municipalities (UBCM), three were appointed directly by Cabinet, and four were appointed by Cabinet on the advice of the UBCM. The Council oversaw the development, review and made recommendations of a draft Community Charter.

The Community Charter: A New Legislative Framework for Local Government and Draft Community Charter was tabled in the Spring 2002 legislative session.

15. **Improve relations with local governments. (Premier's service letter)**

Status

The Community Charter is the primary vehicle for this. The objective is to create a new relationship between the province and local governments based on a set of principles laid out in the draft Community Charter. These include: recognition of local government as an order of government, no downloading, broad powers, respect for local laws and consultation. In addition, the Ministry Service Plan provides for grants to local governments and public libraries to be maintained at current levels through 2004/05. See status above.

16. **With the Union of British Columbia Municipalities, establish a process to review regional governance structures to meet the diverse needs of all parts of British Columbia. (Premier's service letter)**

Status

This is a later stage of the Community Charter initiative. It is expected that scoping of issues, policy analysis and consultation will be undertaken once the first phase of the charter project has been completed.

17. **Ensure that Crown corporations are subject to local zoning and land-use by-laws. (*New Era* commitment)**

Status

In an August 2001 letter, the Premier directed that Crown corporations comply with local zoning and land-use by-laws. The Crown Agencies Secretariat is working with Crown corporations to develop options for advancing this commitment, while ensuring that the concerns of Crown corporations are addressed.

18. Return 75 per cent of all traffic fine revenue to municipalities, to improve community policing and crime prevention. (*New Era* commitment)

Status

The ministries of Finance; Community, Aboriginal and Women's Services; and Public Safety and Solicitor General have agreed to regularly review this in the context of the government's fiscal situation. The Ministry of Community, Aboriginal and Women's Services continues to provide $10 million in traffic fine Revenue Sharing Grants to those local governments which provide police services.

19. Increase child care choices for parents by encouraging the expansion of safe, affordable child care spaces. (*New Era* commitment)

Status

In Fall 2001, a province-wide consultation on child care options, including a survey and community consultations, was completed. Community-based input is being used to inform development of long-term sustainable options for child care.

The 2001 Child Care Options Survey was completed. Child care sector data is used to inform policy planning and program development.

Planning for a new, consolidated operating funding program beginning April 2003, was a major activity during this period. To maintain stability, key child care programs were maintained.

A business process review was completed and plans are underway for the development of a computer system to manage the new, consolidated child care operating funding program that will process applications for approximately 4,500 child care providers. Implementation of new system is on time for launch of new operating funding program April 2003.

Government announced the conclusion of provincial government funding of resource and referral programs (effective March 2004). Transition planning is underway and transition support is being provided to assist communities to move to new, community-based service delivery models.

Government also announced the end of Funding Assistance Program (effective June 2002).

The Ministry of Community, Aboriginal and Women's Services component of British Columbia's Early Childhood Development baseline expenditure report was completed for May 2002 public release. Expenditures are pro-rated for child care services provided to children up to age six.

20. With the Ministries of Health Services and Health Planning, protect levels of access to abortion services throughout the province.

Status

Access is being monitored to ensure existing levels of abortion services throughout the province. The Ministries of Health Services and Health Planning are working in collaboration with the Ministry of Community, Aboriginal and Women's Services and health authorities to ensure access to abortion services is maintained as the health system is redesigned and restructured.

21. Within the current budget allocation, review and make recommendations on the provincial inventory of transition houses and emergency shelters. (Premier's service letter)

Status

A complete inventory of transition houses and shelters used by women and children fleeing domestic violence is underway.

An analysis of service usage statistics, collection and analysis of standardized budget information, the incorporation of research on specialized transition house services and an analysis of the continuum of women's victim services is underway to support the development of recommendations.

22. Within the current budget allocation, develop a safer community strategy for women in provincial emergency shelters and transition houses. (Premier's service letter)

Status

A framework for the Safer Community Strategy has been developed. The framework is the first step in the development of a provincial action plan on violence against women.

23. Within the current budget allocation, review and make recommendations on the feasibility of developing a province-wide perspective for delivery of women's services. (Premier's service letter)

Status

Categories of services delivered and the parameters of the project were defined in 2001/02. The project will focus on services to women who have experienced, or are at risk of experiencing violence. This includes crisis interventions and on-going supports counselling, justice, health and housing issues. Data collection on existing services, which will inform the development of the province-wide perspective, has begun.

24. Restore B.C. as a world leader in E-government, to give all citizens and businesses better on-line access to core services, 24 hours a day, seven days a week. (*New Era* commitment)

Status

Community Access Terminals have been installed in all 58 Government Agent offices across the province. These terminals provide new access to on-line government information, forms, documents and services. Government Agent staff are available to answer questions and assist users.

Performance Report

The transitional challenges of this new ministry also include performance measurement. Our programs have made varying levels of progress measuring the degree to which they have achieved their objectives. As a result, the performance measures of the ministry are still evolving. This is reflected in this section.

This section is not intended to represent the performance of all ministry programs. We have included only some of the important and quantifiable results that were not covered in the *New Era* section.

The ministry is currently developing a branch performance planning and reporting process. This will lead to a broader use of outcome-based measures which more fully represent the ministry.

The following performance results are grouped by the ministry's eight goals. All objectives for each goal are not reported below — only the ones that pertain to the performance we are reporting.

Core Business: Effective Local Government, Aboriginal and Women's Services

Goal 1: Open, accountable and financially responsible local governments.

Local Government

Objective	Activities	Performance
Local governments have flexible and appropriate tools for managing both expenditures and revenues	Ministry develops and maintains the legislative framework to ensure that local governments have the tools and flexibility to respond to local and provincial objectives and needs	**Target:** All local governments that borrow through the Municipal Financing Authority maintain a AAA credit rating. **Actual:** One hundred per cent of local governments maintained their AAA rating.
Communities have safe drinking water and appropriate sewage treatment	Infrastructure development and construction through the Canada-BC Infrastructure Program	**Target:** Conduct risk assessments and assign a priority ranking to those communities at greatest risk. Increase the provincial population served by appropriate sewage treatment by 10 per cent over five years. Actual: Four hundred "green" (water/sewer) applications analysed using risk assessment and assigned a priority. Fifteen grants totalling $36 million awarded. Sewage treatment levels increased for seven per cent of the provincial population.
	Provide water and sewer infrastructure planning grants to local governments through the Local Government Grants Program	**Target:** Review 100 per cent of infrastructure planning grant applications and allocate available funding. **Actual:** All infrastructure planning grant applications reviewed. Two hundred applications analyzed and assigned a priority within available funding. 109 grants, totalling $984,000 were awarded to 75 communities.
Well planned and designed communities and regions	Manage local restructuring processes that fit local needs and provincial objectives	**Target:** Respond to local government request for assistance with restructuring projects. Estimated to be 25 in 2001/02. **Actual:** Fifteen restructure projects completed: One municipal incorporation vote guided to completion. Eight planning grants totaling $319,000 awarded supporting new municipal incorporations and major restructure projects. Six boundary extensions completed.

Objective	Activities	Performance
	Facilitate the development of regional growth strategies to increase the proportion of British Columbia's population covered by growth management plans	**Target:** Two additional regional growth strategies adopted: Capital Regional District (CRD) and Fraser Valley Regional District (FVRD). **Actual:** No additional growth strategies adopted during reporting period. Reaching the 2001/02 target was dependant upon the adoption of FVRD and CRD regional growth strategies. FVRD regional growth strategy adoption anticipated prior to November 2002. CRD growth strategy adoption expected prior to November 2002.
	Provide Community Planning Grants to local governments	**Target:** Awarding of 65 Community Planning Grants. **Actual:** Funding totalling $449,000 was provided for 16 Special, Regional Growth or Community Planning grants. Based upon an internal ministry review of the Community Planning Grant Program, the program was refocused during fiscal 2001/02.
Stimulate access to and use of public libraries	Provide $8.5 million in per capita operating grants to 70 public library boards.	**Target:** Provincial per capita circulation rate of 11.8. **Actual:** Provincial per capita circulation rate 11.94 for the year 2000. British Columbians borrowed an average of 11.94 items from our public libraries in 2000. (most recent year for which data is available)

Goal 2: Improve the quality of life of Aboriginal peoples in British Columbia.

Information on ministry activities, programs and services related to this goal are found in the Update on *New Era* Commitments section.

Goal 3: Address systemic barriers affecting women.

Information on ministry activities, programs and services related to this goal are found in the Update on *New Era* Commitments section.

Core Business Area: Safety and Standards

Goal 4: Sustainable level of safety in the built environment.

Office of the Fire Commissioner and Safety Engineering Services Division

Objective	Activities	Performance
Establish and support a framework for safety Support public education on safety Establish and support a network of Local Assistants to the Fire Commissioner	Training of local fire code enforcement officials Public fire safety education	Approximately 950 students completed orientation, investigation and incident command courses. Fires per 1,000 persons decreased from 2.38 in 1990 to 1.32 in 2000. Value of property losses due to fire reduced from $54.76 per capita in 1990, to $34.97 in 2000.
Effective performance based safety system	Conduct safety inspections and audit installations Certification and licensing of trades	Electrical Safety Branch** 47,200 permits were issued for electrical work. 104,250 affidavits confirming compliance with the *Electrical Safety Act* were received by Safety and Engineering Services (SES). 4,000 registered contractor licenses were processed by SES. Of 164 incidents reported to the Electrical Safety Program, only 32 were directly related to electrical equipment failures.

** Performance of the Electrical Safety Branch is provided as an example of the type of work done in the Safety and Engineering Services Division.

Core Business: Citizen Access to Government

Goal 5: Integrated access to government services.

Government Agents

Objective	Activities	Performance
Provide British Columbians with efficient, local access to government services programs and information	Through a network of 58 Government Agent (GA) offices across the province, provide integrated service delivery in more than 50 program areas	Conducted 2.3 million revenue transactions, including: issuing license or permits. Responded to an estimated one million customer assistance enquiries regarding concerns about dealing with government. Ninety-two per cent of walk-in Government Agent customers said they were satisfied with the service they received.**

Major provincial government programs through which citizens receive service from Government Agents include:

- ICBC (Drivers Services)
- Ministry of Health Services (Medical Services Plan)
- BC Hydro
- Ministry of Sustainable Resource Management (Fishing and Hunter Licensing)
- Ministry of Revenue (Consumer Tax and Real Property Tax), and
- Ministry of Competition, Science and Enterprise (OneStop Business Registration)

** This measure is from the "Clients Speak: A Report on Single-Window Government Services in Canada" a national survey of government service providers undertaken in September 2001. It is the most comparable to the previous Government Agent customer survey results.

Core Business: Services for Communities and First Nations

Goal 6: Strong, diversified communities.

Sport and Physical Activity

Objective	Activities	Performance
To encourage the pursuit of excellence in sport and promote healthy, active lifestyles through physical activity	Assist community development through funding support to organizations and individuals	Ninety recreation commissions received administration grants. Provided funding to support five regional multi-sport games, in co-operation with the BC Games Society.
	Provide awards through the In-Province Travel Program	Provided 2,100 applicants with a total of $827,000 for sport teams and individuals travelling to compete in British Columbia.
	Recognize individual excellence through the Athlete Assistance Program	Grants ranging from $500 to $1500 were provided to support 900 high performance athletes.
Increase the vitality of our communities, through support for the arts, culture and heritage preservation	Provide support to the British Columbia Arts Council	The British Columbia Arts Council is an independent body. In 2001/02, it delivered $11 million through 31 programs in support of arts and culture throughout the province.

The importance of sport to British Columbia

840,000 people are registered in 62 provincial sport organisations in British Columbia, two-thirds of whom are under the age of 18. They are members of over 3,800 sport clubs, all run by volunteer boards.

Sport and physical activity represent the largest single area of volunteer participation in Canada, and accounts for 11 per cent of BC's total volunteer corps. This volunteering is done in and for local communities.

Goal 7: Equitable opportunities for all British Columbians.

Child Care Services

Objective	Activities	Performance
To support the availability of child care spaces, providing families with child care options.	Administer capital grant programs	257 grants awarded. 1,244 spaces created. 5,327 spaces supported.
	Administer operating grant programs	3,272 contracts with providers 82 per cent of respondents reported that their grant helped them attract qualified staff. 82 per cent reported that their grant reduced staff turn-over. 80 per cent reported that their grant stabilized parent fees.

The survey results above are taken from the 2001 Provincial Child Care Survey of licensed centres and family child care providers which received grants under the Compensation Contribution Program.

The need for child care services is demonstrated by this information from Statistics Canada:

- In 2001, 70% of women with children under age 16 living at home were part of the employed workforce as compared to 39% in 1976.
- In 2001, 62% of women with children under age 3 worked outside the home as compared to 28% in 1976.

Stopping the Violence and Regional Programs

Objective	Activities	Performance
To provide intervention and prevention initiatives to stop violence against women	Contract with community-based, non-profit organizations to deliver services to women who have experienced violence	14,076 women and children who left abusive relationships were provided with safe shelter.* 5,064 women received counselling services.

The above performance data is aggregated by service providers and submitted on monthly data collection forms to the ministry.

*The total number of women and children provided with safe shelter in past years:

1998/99: 15,344	**1999/2000: 13,824**	**2000/01: 14,885**

Aboriginal, Multiculturalism and Immigration

Objective	Activities	Performance
To improve programs and services for Aboriginal people	Provide business loans to assist new and expanding Aboriginal businesses in B.C.**	**Target:** 140 loans. **Actual:** 150 loans. **Target:** 325 full or part time jobs created. **Actual:** 400 full or part time jobs created.
	Provide bursaries to Aboriginal post-secondary students	**Target:** funding provided to 110 students. **Actual:** $123,750 in funding provided to 135 students.
To maximize the economic and social benefits of immigration	Through the Provincial Nominee Program, choose a limited number of immigrants to meet provincial economic needs.	Eighty-three skilled workers nominated, including 40 nurses. 300 nominated skilled workers immigrated.

**The Business Loan Program provided a provincial commitment of $1.6 million to support business loans valued at $4 million.

Community Initiatives

Objective	Activities	Performance
To encourage long term attachment to the work force for multi-barriered individuals.	The BladeRunners program provides street involved youth with work experience and training in construction and related trades.	125 youth employed in nine regions.[1] 75 per cent of those who completed the program remained off income assistance at least one year later.[2]

[1] Performance data on employed youth is provided by contractors who deliver the program. The total number of youth employed in past years is as follows:

1998/99: 100	**1999/2000: 100**	**2000/01: 120**

[2] Data is drawn from a Ministry of Human Resources study of those who participated in the BladeRunners program in 1998/99 and 1999/2000.

Goal 8: Cost Effective Support Services

Information on ministry activities, programs and services related to this goal are found in the Year-at-a-Glance Highlights section.

Report on Resources

Operating Expenditures (in $000s)

	2001/02 Appropriations	Actuals	Variance
Enable Effective Local Govt, Aboriginal and Women's Services	156,831	158,124	(1,293)
Citizens' Access to Government	18,982	18,807	175
Safety and Standards	20,073	18,569	1,504
Services for Communities and First Nations	323,240	303,827	19,413
Corporate Services	21,819	21,717	102
Total	**540,945**	**521,044**	**19,901**

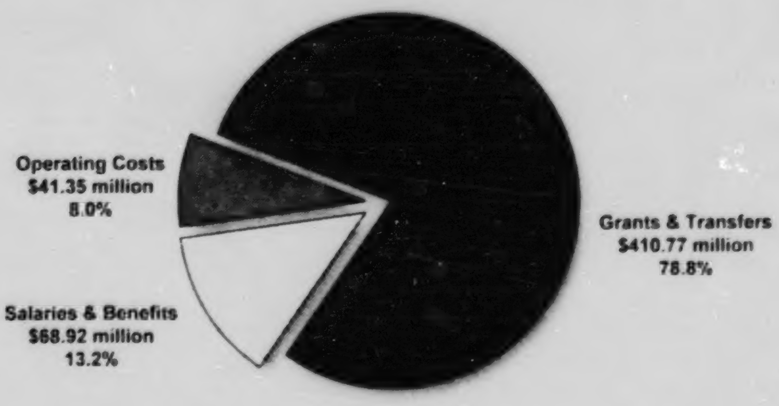
FTEs

	2001/02 Appropriations	Actuals	Variance
Total	**1,216**	**1,138**	**78**

Capital Expenditures (in $000s)

	2001/02 Appropriations	Actuals	Variance
Information Systems	5,631	3,104	2,527
Other	1,259	1,062	197
Total	**6,890**	**4,166**	**2,724**

2001/02 Actuals by Expenditure Type



Revenue (in $000s)			
Revenue Source	2001/02 Estimates	Actuals	Variance
Fees and Licences			
Safety Inspection Fees	15,982	16,013	(31)
University Endowment Lands	2,041	3,377	(1,336)
Total Fees and Licences	18,023	19,390	(1,367)
Investment Earnings			
First Citizens Fund	2,671	2,761	(90)
Physical Fitness and Amateur Sports Fund	1,600	1,565	35
Downtown Revitalization Program	600	554	46
Total Investment Earnings	4,871	4,880	(9)
Miscellaneous			
Miscellaneous receipts, NSF fees, etc.	305	82	223
Recovery of prior year's expenses	0	1,059	(1,059)
Total Miscellaneous	305	1,141	(836)
Contributions from the Federal Government			
Immigration	22,400	20,500	1,900
Ministry Total	**45,599**	**45,911**	**(312)**

Appendix 1

Ministry of Community, Aboriginal and Women's Services

Agencies, Boards and Commissions

Community Charter Council
Fire Safety Advisory Council
Public Fire and Life Safety Education Advisory Council
BC Housing Management Commission
Homeowner Protection Office
Building Code Appeal Board
Provincial Rental Housing Corporation
Islands Trust
Advisory Council on Multiculturalism
Native Economic Development Advisory Board
Provincial Child Care Advisory Council
BC Heritage Trust
BC Arts Council
BC Festival of the Arts Society
BC Games Society
Provincial Capital Commission
Cultural Foundation of BC
Royal BC Museum
First Peoples' Heritage, Language and Cultural Advisory Committee
Minister's Advisory Council on Affordable Housing
Building Safety Advisory Council
Boards of Examiners
Boards of Variance
Electrical Safety Advisory Committee
Electrical Safety Appeal Board
Electrical Safety Board of Review
Elevating Devices Safety Advisory Committee
Elevating Devices Safety Appeal Board
Gas Safety Advisory Committee
Gas Safety Appeal Board
Power Engineers and Boiler and Pressure Vessel Safety Advisory Committee
Power Engineers and Boiler and Pressure Vessel Safety Appeal Board

Appendix 2

Ministry of Community, Aboriginal and Women's Services Legislation

Local Government

Capital Commission
Capital Region Water Supply and Sooke Hills Protection
Cultus Lake Park
Building Officials' Association
Greater Nanaimo Water District
Greater Vancouver Sewerage and Drainage District
Greater Vancouver Water District
Islands Trust
Land Title Act — s. 219 except subsections 3 (c), 11 (b) and 13, insofar as it relates to the portfolio of the minister
Local Government — Act except Division 2 of Part 15 and ss. 916-919
Local Government Grants
Local Services
Manufactured Home Tax
Ministry of Municipal Affairs
Mountain Resort Associations
Municipal Aid
Municipal Finance Authority
Municipalities Enabling and Validating Act
Municipalities Enabling and Validating Act (No. 2)
Municipalities Enabling and Validating Act (No. 3)
New Westminster Redevelopment Act, 1989
Resort Municipality of Whistler
Sechelt Indian Government District Enabling — s. 4
Tourist Accomodation (Assessment Relief)
University Endowment Land — Act except ss. 2 (1) (a) & (d) and 3 (b)
Vancouver Charter

Safety

Electrical Safety

Elevating Devices Safety

Fire Services

Fireworks

Gas Safety

Ministry of Labour — re gas safety, electrical safety, elevating devices, boiler and pressure vessels

Power Engineers and Boiler and Pressure Vessel Safety

Railway — ss. 14-25, 28, 137, 139-149, 152-160, 163-170, 173-179, 185 (3)-(4), 188-189, 192-196, 197 (7)-(8), 245-252, 263-264, 266-281

Libraries

Library

Aboriginal Services

First Peoples' Heritage, Language and Culture

Indian Advisory

Special Accounts Appropriation and Control — s. 4 (First Citizens Fund)

Housing and Building

Homeowner Protection

Ministry of Social Services and Housing — re: housing — s 3. (b) & s. 2 as it applies to s. 3 (b)

Ministry of Lands, Parks and Housing — re: housing — ss. 5 (c), 8.1 & 10

Shelter Aid for Elderly Renters

Child Care

BC Benefits (Child Care Subsidy)

Child Care BC Act

Multiculturalism and Immigration

Multiculturalism

Ministry of International Business and Immigration — re immigration

Arts, Culture and Heritage, Sport

Arts Council

Heritage Conservation — sections 24-31, remainder of Act insofar as it relates to the portfolio of the minister

Klondike National Historic Park

Museum Act

Vancouver Museum Foundation Act

Recreational Facility

Special Accounts Appropriation and Control — s. 8 (Physical Fitness and Amateur Sport Fund)

Special Accounts Appropriation and Control — s. 9 (Olympic Arts Fund)

Ministry of
Competition, Science
and Enterprise

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

**Ministry of
Competition, Science
and Enterprise**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Competition, Science and Enterprise.
Annual Report. — 2001/2002 -

Annual.
"A new era update."
ISSN 1703-3977 = Annual Report - British Columbia. Ministry of Competition, Science and Enterprise

1. British Columbia. Ministry of Competition, Science and Enterprise - Periodicals. 2. British Columbia - Economic policy - Periodicals. 3. British Columbia - Commercial policy - Periodicals. 4. Science and state - British Columbia - Periodicals. 5. Technology and state - British Columbia - Periodicals. Tourism - Government policy - British Columbia - Periodicals. I. Title. II. Title: Ministry of Competition, Science and Enterprise annual report.

HC117.B7B74 354.73'09711'05 C2002-960135-5

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Published by the Ministry of Competition, Science and Enterprise
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Competition, Science and Enterprise Annual Report was prepared under my direction and I am accountable for the results of the Ministry since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Rick Thorpe
Minister of Competition, Science and Enterprise

June 10, 2002

Minister of State Accountability Statement

The 2001/02 Ministry of Competition, Science and Enterprise Annual Report was prepared under my direction and I am accountable for the results the Ministry achieved on the deregulation initiative since June 5, 2001.

Kevin Falcon
Minister of State for Deregulation

June 10, 2002

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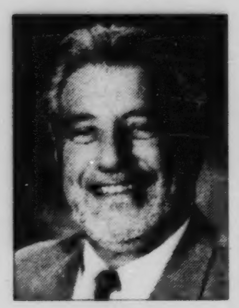
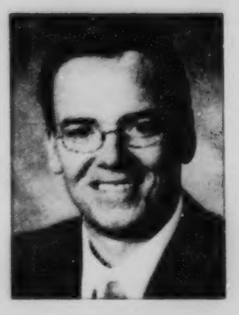
Ministry of Competition, Science and Enterprise





On June 5, 2001, a new government took office in British Columbia. The Ministry of Competition, Science and Enterprise was created to implement key elements of the government's *New Era* commitments, aimed at revitalizing the economy and the business environment in British Columbia. We have made significant progress in this task.

In 2001/02, the ministry focused on ending business subsidies and deregulating, ensuring British Columbia was open for business, and acting as an advocate for business inside and outside of government. The new ministry has four Core Business Areas: removing barriers to business; providing economic policy and strategic advice; marketing and investment; and encouraging innovation and the development and transfer of new knowledge.

In 2001/02 the Ministry of Competition, Science and Enterprise began eliminating business subsidies, and reviewing fees and licences. These two projects will be complete early in 2002/03.

The Ministry fulfilled a commitment of the Premier by bringing the province into compliance with the Agreement on Internal Trade on March 31, 2002. We have taken steps to fulfil another commitment of the Premier by introducing competition and choice for investors in labour sponsored venture capital funds.

The Northern Development Commission was eliminated after a review found that it was not the most effective vehicle to address issues of importance to the North. The government's northern caucus is the most effective vehicle and was asked to aggressively pursue a northern agenda and to ensure issues and priorities of the North receive the full attention they need and deserve. In addition, the Job Protection Commission has been wound down, with no new clients after February 2002. Also in April 2002, the Ministry successfully concluded the sale of Skeena Cellulose Inc. to NWBC Timber and Pulp Ltd., completing a promised transfer back to the private sector.

We have continued work on the planned expansion of the Vancouver Convention and Exhibition Centre. We also provided secretariat support for the new Premier's Technology Council during its formation and its work on bridging the digital divide.

Through the Minister of State for Deregulation's office, we have taken significant steps towards reducing regulatory burden by establishing a baseline count for government and ensuring all ministries have a three-year service plan to cut regulatory requirements by one-third. Two deregulation statutes were introduced in the spring 2002 legislative session.

We are pleased with the steps the Ministry has taken this year, and plan to improve on this progress in the coming years.

We are pleased to present the details of our activities in this annual report for the fiscal year 2001/02.

Rick Thorpe
Minister

Kevin Falcon
Minister of State

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Year-at-a-Glance Highlights

Performance plans for provincial government ministries and agencies for 2001-2004 were produced in April 2001. The new Ministry of Competition, Science and Enterprise was created on June 5, 2001. The Ministry includes most of the former Ministry of Employment and Investment (except for electricity policy functions, which were moved to the Ministry of Energy and Mines). Organizational units responsible for science and technology, small business, tourism and film were brought into the new Ministry.

Following the creation of the Ministry, an intense, focused period of review was undertaken to consider the policy and operational roles of the organization, critically review the role, if any, for government involvement in these existing functions and the need for government attention to any new functions. The results were presented to the government's core review and deregulation task force. The strategic shifts approved by the task force are set out on page 4 of this report.

In implementing our strategic shifts and meeting budget targets set by the government, the Ministry undertook a significant reorganization. As noted in our report on resources, full time equivalent (FTE) staff were 305 in the newly formed Ministry at June 5, 2001. By the end of 2001/02, this number had been reduced to 253 FTEs.

Throughout the core review and budget processes, the Ministry focused on meeting the government commitments set out in the *New Era* document. Several critical priorities, such as eliminating government subsidies, were initiated and essentially completed before the end of 2001/02. A complete report on the Ministry's *New Era* commitments begins on page 6 of this report.

Ministry Role and Services

Strategic Shifts

The core review process led the new Ministry of Competition, Science and Enterprise to some fundamental strategic shifts:

— From an emphasis on socially focused economic policy to an emphasis on business-focused economic policy;

— From programs distributing financial assistance and subsidies to a process of ending subsidies and reducing regulation across government;

— From a government role as financier, builder and promoter, to a role marketing British Columbia as 'open for business'; and

— From a role as government's voice to business to a role as a voice for entrepreneurs and business to government.

Following the creation of the Ministry of Competition, Science and Enterprise in June 2001, the new Ministry defined its goals, mission and values:

> The new Ministry of Competition, Science and Enterprise is focused on activities that directly support the government's first strategic goal of 'a strong and vibrant provincial economy.' In supporting that goal, the Ministry also directly and indirectly supports the government's other goals of 'building a supportive social infrastructure' and 'safe, healthy communities and a sustainable environment.'
>
> The Ministry endorses and implements the government's management theme and works in an innovative, results-oriented and accountable way.
>
> The Ministry's mission is focused on three areas:
>
> **COMPETITION**
>
> Ensure British Columbia has the most attractive investment and business climate in North America.
>
> **SCIENCE**
>
> Encourage a culture of innovation and the development and transfer of new knowledge benefiting individuals, businesses and communities.
>
> **ENTERPRISE**
>
> Promote economic growth by aggressively pursuing increased marketing of British Columbia that results in the growth of investment and trade.
>
> The Ministry of Competition, Science and Enterprise is focused on establishing and expanding partnerships with entrepreneurs, businesses and organizations throughout British Columbia in order to build a strong private-sector-driven economy; fostering an innovation culture for science and technology; and developing national and international investment and trade relationships.
>
> We are advocates within government for entrepreneurs and business, and marketers of our competitive economic climate to national and international investors in the global marketplace.

Our Ministry believes in customer service and we will be a results-driven organization that measures performance at both the individual and global level.

THE MINISTRY HAS FOUR CORE BUSINESS AREAS

- Removing barriers to business;
- Providing economic policy and strategic advice;
- Marketing and investment; and
- Encouraging innovation and the development and transfer of new knowledge.

The goals, objectives and strategies related to these core business areas will be reviewed in the Performance Reporting section of this report.

Update on *New Era* Commitments

New Era Commitments

Government Priority	Ministry Response/Comments
Within 90 days initiate commitment to eliminate government subsidies to businesses that give companies an unfair advantage over their competitors.	Initial commitment completed. Elimination of subsidies will be complete in July 2002, followed by ongoing monitoring and providing advice to ministries during policy development.
Within 90 days initiate a commitment to establish a new Premier's Council on Technology.	Commitment completed. Ministry is supporting the Premier's Office in this initiative. The Council was established in August 2001 and issued its first quarterly report on November 22, 2001. Its second quarterly report is due on April 2, 2002.
Cut 'red tape' and regulatory burden by one-third within three years.	Commitment ongoing. The deregulation framework is being implemented across government. As of the end of March 2002: • A baseline count of almost 404,000 regulatory requirements was determined after a governmentwide count was undertaken. • A total of 3,935 regulatory requirements were cut, for a net reduction of 2,531. • Ministries have submitted Three-Year Deregulation Plans for the review of existing regulation. • The Regulatory Reform Policy is being applied to all proposed legislation and regulations.
Stimulate tourism with a plan to improve operators' ability to successfully compete for visitors from around the world.	Commitment ongoing. Ministry is working in partnership with Tourism British Columbia to develop a multi-year strategic plan for tourism.
Work to extend high-speed broadband Internet access to every community in British Columbia through wireless technology, cable, phone lines and fibre optics.	Commitment ongoing. This is a key element of our innovation, science and technology transfer commitment, and we will continue to work with the private sector, communities, the federal government and the Premier's Technology Council.
Use public assets, like roads, railways and power lines to leverage rapid growth in communications infrastructure and broadband capabilities.	Commitment ongoing. This is a cross-ministry goal in conjunction with Sustainable Resource Management and Transportation ministries.
Push to eliminate interprovincial trade barriers.	Commitment completed. The Ministry has met the government's commitment to bring British Columbia into compliance with the Agreement on Internal Trade (AIT) by March 31, 2002. The Ministry will continue to take a leadership role in seeking the elimination of interprovincial trade barriers, which hamper growth, investment and job creation.

Key priorities as set out in Premier's letter to the Ministers

Take the lead role in ensuring our tax, regulatory and labour environment is consistent with the new economy.	The business subsidy review, deregulation initiative, and fees and licences review are the first steps of this task. All are key priorities for this Ministry and are well underway. Business subsidy and fees and licences reviews to be completed in the first quarter of 2002/03.
Consolidate and rationalize scientific activities within the government, working with the Ministry of Advanced Education.	Work underway and will be completed, in collaboration with appropriate ministries.
Review the policy for fees and licences.	Initial review of all ministries nearing completion at fiscal year-end and anticipated to be completed within the first quarter of 2002/03. Recommendations from ministries with programs requiring additional review will continue through 2002/03.
Support the Premier's Technology Council.	Ministry is supporting Premier's Office in this initiative. The Council was established in August 2001 and issued its first quarterly report on November 22, 2001. Its second quarterly report is due on April 2, 2002.

Performance Reporting

The Ministry of Competition, Science and Enterprise has three main goals: establishing a competitive investment climate; promoting economic growth; and encouraging innovation, science and technology transfer.

The Ministry made progress on a number of performance targets identified in the 2002/03 - 2004/05 Service Plan during the 2001/02 fiscal year. In 2001/02 the Ministry:

— Made significant progress on its task of eliminating business subsidies. Final subsidies will be completely eliminated in July 2002;

— Established policies, standards and benchmarks for achieving the government's regulatory reduction target in three years;

— Achieved full and complete compliance with the Agreement on Internal Trade;

— Worked with the Premier's Office to establish the Premier's Technology Council, and provided support for the Council's quarterly reports; and

— Reviewed the policy for fees and licences.

A number of the performance measures established in the 2001/02 - 2003/04 performance plans of the Ministries of Employment and Investment, and Small Business, Tourism and Culture of the former government are not included in this Annual Report.

With the government restructuring of June 5, 2001 a number of responsibilities of the former ministries were transferred to other ministries or agencies of government. For example, responsibility for energy development was transferred to the Ministry of Energy and Mines.

Through the Core Services Review a number of other responsibilities were no longer deemed to be central to the goals of the Ministry and were eliminated. In addition, several Ministry programs were eliminated as a result of the governmentwide business subsidy review. For example, the Job Protection Commission function, loan guarantees and fiscal agency loans under the *Financial Administration Act*, the Small Business Incentive Program, First Job in Science and Technology Program, Technology BC Program and Technology Assistance Program were eliminated.

Objective	Performance measure	Target 2001/02	Actual/Comments
Removing Barriers to Business	Reduction of regulatory burden by one-third using Cabinet approved measurement process.	• Establish baseline regulatory requirement count. • Work with ministries to establish three-year deregulation plans. • Establish Regulatory Reform Policy.	• Completed. Baseline regulatory count of 404,000 established. • Completed. Three-year deregulation plans established for each ministry. • Completed. Regulatory Reform Policy approved by Cabinet on March 6, 2002.
	Eliminate subsidies to business.	• Establish policy framework for elimination of business subsidies. • Review government programs against business subsidy principles.	• Completed. Policy framework for elimination of business subsidies approved at Open Cabinet on August 15, 2001. • Commitment almost completed. Twenty-two programs constituting business subsidies eliminated at Open Cabinet on January 16, 2002.
	Review all fees and licences and set goals.	• Complete review of all existing fees and licences. • Establish policy for review of new fees and licences.	• Commitment almost completed. Nine hundred and ninety-three fees and licences reviewed as of March 31, 2002. • Policy will be established in first quarter of 2002/03.
	Achieve full compliance with interprovincial Agreement on Internal Trade.	• Fully comply with AIT. • Consult with private sector to drive further removals of trade barriers.	• Completed as of March 31, 2002. • Consultations underway.

Objective	Performance measure	Target 2001/02	Actual/Comments
	Implement federal-provincial infrastructure and partnership agreements.	• Allocate fiscal year funding to provincial, federal and municipal priorities.	• 15 'green' projects totaling nearly $37 million announced on December 17, 2001 under the Canada/British Columbia Infrastructure Program. • Five projects totaling more than $1.28 million announced under the Western Economic Partnership Agreement by March 31, 2002. • Consultations with federal and municipal partners on further infrastructure announcements underway.
Economic Policy and Strategic Advice	Competitive key indicators in taxation, regulatory and labour policies.	• Establish key competitiveness indicators and targets.	• Ongoing. Examination of venture capital and biotechnology indicators.
	Develop economic strategies.	• Establish Northwest Economic Strategy to increase economic growth in region.	• Ongoing. Working with partners at federal, local and regional levels to develop strategy.

Objective	Performance measure	Target 2001/02	Actual/Comments
Marketing and Investment	International awareness of British Columbia as a competitive investment location.	• Lead/assist in development and support for outgoing trade missions.	• Missions in the resource (forestry), high-technology, energy, aerospace and environmental sectors were taken to the United States, China, India and Europe.
		• Market British Columbia as a call centre location.	• Three new call centres located in British Columbia.
	Introduce competition and choice for investors in labour sponsored venture capital programs.	• Introduce necessary legislative amendments to provide for competition in labour sponsored venture capital program.	• Legislation drafted. • Awaiting introduction in the Legislature. Expected in May 2002.
	Ongoing work and support for the Vancouver Convention and Exhibition Centre expansion.	• Work with the B.C. Pavilion Corp. and industry representatives on business plan for industry-sponsored expansion option.	• Industry business plan is in place, request for expressions of interest for public-private partnership proposals underway. • Further assessment and negotiations to be concluded in 2002/03.
	Partner with industry to significantly increase the size of the film industry in British Columbia.	• Maintain and increase share of production in Canada.	• Film and television production in British Columbia reached $1.1 billion in 2001 — the second-highest total recorded in the province.
	Work with other ministries to develop policies conducive to the development of tourism infrastructure and increase number of visitors.	• Increase number of visitors.	• International travel to British Columbia was slightly up in the first quarter of 2002 with a 1.2 per cent increase over the same period last year to total 844,219 overnight customs entries.

Objective	Performance measure	Target 2001/02	Actual/Comments
Encouraging innovation and the development and transfer of new knowledge	Number of patents, licences and spinoff companies.	• Set up policy framework to collect, analyse and present information on an ongoing basis.	• Work ongoing.
	Implementation of the Premier's Technology Council plan for bridging the digital divide.	• Establish responsibility and implementation matrix for Council recommendations.	• Work ongoing.
Timely and relevant resource management services in support of Ministry mandate and consistent with governmentwide standards	Efficient human resource management consistent with best practices.	• Provide services to enable Ministry to organize to reflect its new mandate.	• Services provided. • Organization approved.
	Begin developing evaluation methods, timing and requirements.	• Establish performance goals and measures for specific employees.	• Work ongoing.
Workforce Adjustment — efficient and fair management of our staff	Implement workforce adjustment program.	• Ensure government restructuring on January 17, 2002 is handled professionally and treats all affected employees fairly and with respect.	• Announcement and adjustments completed. • Work ongoing.

Report on Resources

[illegible]	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Minister's Office	524		524	486	38
Corporate Services	15,526	591[1]	16,117	12,230	3,887
Economic Policy	6,638		6,638	6,216	422
BC Trade and Investment Office	13,414		13,414	11,713	1,701
Science, Technology and Telecommunications Policy	21,215		21,215	18,754	2,461
BC Film Commission	1,415		1,415	1,310	105
BC Pavilion Corporation	6,000		6,000	5,940	60
Reserves for Doubtful Accounts and Concessionary Loans	2,754		2,754	11,428	(8,674)
Total — Ministry Operations	67,486	591	68,077	68,077	0
Special Accounts					
NRCF	10	40,038[2]	40,048	40,048	0
Northern Development Fund	2,500	1,011[2]	3,511	3,511	0
Science and Technology Fund	18,361	15,184[2]	33,545	33,545	0
Small Business Incentive Fund		14,267[2]	14,267	14,267	0
Transfer from Vote to Special Account	(16,361)		(16,361)	(16,361)	0
Other					
Pacific National Exhibition		3,000[1]	3,000	3,000	0
Four Corners Bank — write down		1,007[2]	1,007	1,007	0
Inter-account transfers		(71,742)	(71,742)	(71,742)	0
Total	**71,996**	**3,356**	**75,352**	**75,352**	**0**
Full-time Equivalents (FTEs)					
Total	**305**		**305**	**253**	**52**
Ministry Capital Expenses ($000)					
Information Systems	1,251		1,251	999	252
Other	52		52	29	23
Total	**1,303**	**0**	**1,303**	**1,028**	**275**

[1] Contingencies

[2] Statutory Appropriation

The over-expenditure from the Northern Development Fund is a correction of amounts relating to the prior year.

Natural Resouce Community Fund (NRCF), Science and Technology Fund and Small Business Incentive Fund were eliminated at the close of 2001/02, bringing total Operating Expenses variance to zero.

Annual Report Appendices

Crown Corporations, Agencies, Boards and Commissions

1. B.C. Community Financial Services Corporation
2. B.C. Pavilion Corporation
3. British Columbia Enterprise Corporation (not active)
4. British Columbia Job Protection Commission
5. British Columbia Securities Commission
6. British Columbia Trade Development Corporation (not active)
7. Motor Dealer Customer Compensation Fund Board
8. Nechako-Kitimat Development Fund Society
9. Northern Development Commission
10. Pacific National Exhibition
11. Premier's Technology Council
12. Science Council of British Columbia
13. Tourism British Columbia
14. Vancouver Trade and Convention Centre Authority

Legislation

1. *BC-Alcan Northern Development Fund Act*
2. *British Columbia Enterprise Corporation Act*
3. *Build BC Act*, other than Part 4, in relation to the BC Transportation Financing Authority
4. *Builders Lien Act*
5. *Business Paper Reduction Act*
6. *Community Financial Services Act*
7. *Employee Investment Act*
8. *Hotel Guest Registration Act*
9. *Hotel Keepers Act*
10. *Industrial Development Incentive Act*
11. *Job Protection Act*
12. *Liquor Distribution Act*
13. *Ministry of Industry and Small Business Development Act*
14. *Ministry of International Business and Immigration Act*, except immigration provisions
15. *Ministry of International Trade, Science and Investment Act*
16. *Motor Dealer Act*
17. *Natural Resource Community Fund Act*
18. *Northern Development Act*
19. *PNE Act*
20. *Regulatory Impact Statement Act*
21. *Science and Technology Fund Act*
22. *Science Council Act*
23. *Securities Act*
24. *Securities (Forged Transfer) Act*
25. *Small Business Development Act*
26. *Small Business Venture Capital Act*
27. *Special Enterprise Zone and Tax Relief Act*
28. *Telephone (Rural) Act*
29. *Tourism Act*
30. *Tourism British Columbia Act*
31. *Trade and Convention Centre Act*
32. *Trade Development Corporation Act*
33. *Travel Regulation Act*

Ministry of
Education

2001/02
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BRITISH
COLUMBIA

**Ministry of
Education**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Education.
Annual Report. — 1997/98

Annual.
ISSN 1480-2376 = Annual Report - British Columbia.
Ministry of Education. Skills and Training

ISSN 1481-8442 = Annual Report - British Columbia. Ministry of Education. 1998

1. British Columbia. Ministry of Education -
Periodicals. 2. Education - British
Columbia - Periodicals. I. British Columbia. II. Title: Ministry of
Education Annual Report.

L222.B7A22 353.8'09711'05 C99-960065-6

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Published by the Ministry of Education
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Education Annual Report was prepared under my direction and I am accountable for the results the Ministry achieved since June 5, 2001. This report describes progress made in the first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Christy Clark
Minister of Education

June 26, 2002

BRITISH
COLUMBIA

Ministry of Education

It is my pleasure to present the Ministry of Education's 2001/02 Annual Report — a *New Era Update.*

Education is the cornerstone of our society and a priority of our government. Since becoming Minister a year ago, my Ministry has focused on ensuring we put students first in all our decisions, and consistently strives to provide the best education system in Canada.

My government's vision of a top-notch education system is one that values parents, provides choices for students, supports local decision-making, strengthens accountability at every level across the system and has as its top priority, at all times, improving student achievement.

We're making great progress; in the first 12 months of our four-year mandate we have fulfilled 73 per cent of our *New Era* Education commitments. Within the first 90 days we moved to restore education as an essential service, to ensure that students are never again denied access to education simply because of a labour dispute. We also guaranteed the right of parents to volunteer at their childrens' schools, making it clear that this right cannot be bargained away in collective agreements.

To support our goal of improving student achievement, we are committed to providing greater autonomy to locally elected school boards, better accountability measures at all levels of the education system, greater parental involvement in their children's schools, a new range of choice for students and parents in school selection, and a stable, transparent system of funding. All of these commitments are reflected in amendments to the *School Act*.

These are significant changes that form the foundation on which we will continue to build our vision of a strong education system. Some break new ground in our history as a province. Some will meet with resistance; some will be cheered; all will require time — and commitment — to make a difference.

Education is the foundation of our future. I intend to continue to work with parents, teachers, trustees, principals and communities in our ongoing efforts to put students first as we build a top-notch education system.

Christy Clark
Minister of Education

Message from the Deputy Minister

The Ministry of Education's Annual Report 2001/02 presents our most recent information related to student achievement and provides the status of changes government is making to improve student achievement in British Columbia.

The Ministry is currently implementing a number of strategic shifts to move the system closer to the goal of providing a top-notch education system. We are committed to achieving this goal through ensuring increased flexibility and improved accountability at all levels of the system.

During the fall and early winter of 2001, we met with each district superintendent in the province to talk about a new accountability system and a simplified approach to funding the education system. The new funding structure is predictable, so districts can plan for three years at a time rather than one. We have moved from a system where funding was tied to more than 60 programs, each with its own formula, to a system where funding is student-based.

District accountability contracts now ensure that priorities will be set and resources allocated based on the most important thing — improving student achievement.

Internally, the Ministry's structure has shifted to support our goals. We are finalizing accountabilities for each department and refocusing staff on core areas of business. In general, the Ministry's focus has shifted to support a predictable, three-year funding envelope that is understandable, comprehensive and transparent; reduced regulations; accountability at all levels; and school districts driven by student achievement results.

It is through the dedication of Ministry staff, school district and school staff throughout the province that these changes to the kindergarten to Grade 12 education system will be achieved.

Sincerely,

Emery Dosdall
Deputy Minister of Education

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Year-at-a-Glance Highlights

A number of significant events occurred in 2001/02 in the Ministry of Education. These events were aimed at improving key aspects of the education system and were focused on increasing opportunities for parental involvement in their child's education, enabling greater choice and flexibility in education programming for students and parents, providing greater autonomy to School Boards, ensuring that the education system is accountable for improving student achievement, and improving service delivery.

- On August 9, 2001 the *School (Protection of Parent Volunteers) Amendment Act*, was passed. For the first time ever, we have guaranteed the right of parents to volunteer at their children's school, and ensured that this right cannot be bargained away in collective agreements. At the same time, this legislation makes it clear that services performed by volunteers will not result in the displacement of an employee.
- The government fulfilled its 90 day *New Era* commitment to restore education as an essential service under the *Skills Development and Labour Statutes Amendment Act*, which passed on August 16, 2001. This legislation formally recognizes the importance of education, and ensures that students are not denied access to education simply because of a labour dispute.
- On January 28, 2002 amendments to the *School Act* (Bill 28) enshrined class size in legislation for the first time ever. Strict class size limits are in place for Kindergarten to Grade 3, and for Grade 4 through 12 district-wide class size averages have been enshrined.
- The Ministry introduced a new simplified funding allocation system in March 2002, giving locally elected School Boards stable, predictable multi-year funding envelopes to improve long-term education planning and budgeting. In order to reduce the regulatory burden on School Boards, budget reporting requirements have been simplified.
- In March 2002, the Ministry's first annual satisfaction surveys were distributed to parents, students and staff. The results of these surveys were reported to School Boards and schools in June 2002, and will be used to inform school level planning and the development of district accountability contracts. Satisfaction surveys are an important accountability measure that can be used to celebrate successes, identify areas that need improvement, and track the improvements made.
- At the end of March 2002, the government provided a one-time grant of $44.6 million to schools in BC. School districts received nearly $42.8 million, and independent schools received a proportional share, totaling $1.8 million. This one-time grant was achieved primarily through savings in the Ministry of Education's budget, and will allow school districts and independent schools to meet the unique student needs in their communities.
- The creation of School Planning Councils, through amendments to the *School Act* (Bill 34) introduced in spring 2002, will give parents a greater role in school planning and decisions that affect their child's education. Parental involvement is the key indicator for improved student achievement, and improving student achievement is the cornerstone of the Ministry's work.
- The Ministry is working to increase choice in school selection for students and parents. Amendments to the *School Act* (Bill 34) will give students the choice to attend any school in the province provided space is available.
- School Boards have repeatedly asked for the ability to engage in entrepreneurial activities. Amendments to the *School Act* (Bill 34) allow School Boards to create separate entities through which they can engage in a variety of entrepreneurial activities like providing consulting services, educational or administrative expertise or international education.

- Through amendments to the *School Act* in spring 2002, the Ministry formally recognized District Parent Advisory Councils as a valuable link between local Parent Advisory Councils and the British Columbia Confederation of Parent Advisory Councils. DPACs provide another avenue for parents to have input into the educational system.
- The Ministry has also restored the title Principal and Vice Principal to these educational leaders in our schools, in recognition of the vital role they play in the education system.
- The Ministry of Education is reviewing graduation requirements to better support the success and achievement of all students. Consultations with education partners have occurred across the province. Specific attention is being placed on expanding pathways to success, improving student achievement, and increasing student, parent and community satisfaction. In October 2002 the Graduation Requirements Review will make recommendations for education standards designed to meet the diverse needs of BC's student population.
- The Ministry's Offshore School Certification Program is expanding. An application and selection process will be completed by September 2002.
- The Ministry continues to work with Indian and Northern Affairs Canada to ensure that federal funds for education of status, on-reserve First Nations students reach School Boards when School Boards provide educational services to the Band.

Ministry Role, Services and Strategic Shifts

Introduction

The Ministry of Education has specified duties and powers under the *School Act*, and *Independent School Act*. These duties include establishing a governance structure, developing policies and setting standards for the education system, providing funding to School Boards, setting overall direction for the education system, monitoring system success, and providing leadership to K-12 educational institutions.

The Ministry also plays an important role in keeping parents and the public informed about what BC's children are learning, how students are performing, and how resources are being used. The Ministry must demonstrate that the legislation, regulations, orders and policies that it administers achieve results. The Ministry, boards of school trustees, and independent schools to which authority is devolved, are all held accountable for results.

The purpose of the Ministry of Education Annual Report is to report to the legislature and the BC public about achievements related to specific goals intended to improve student achievement in BC's public and independent schools.

The *Statement of Education Policy Order* sets out the vision and mandate for the education system. This order is currently being updated from the most recent version dated September 1, 1989.

Vision

The Ministry is committed to working with School Boards, parents, educational partners, and others to build on the strengths and successes of British Columbia's school system. To this end, the Ministry's vision is: an education system that is the best in Canada.

Mission

The mandate for the K–12 education system is set out in the *School Act*: The purpose of the British Columbia school system is to enable all learners to develop their individual potential and to acquire the knowledge, skills, and attitudes needed to contribute to a healthy, democratic and pluralistic society and a prosperous and sustainable economy.

Values

The Ministry of Education is committed to conducting its operations in accordance with the following values:

Effectiveness — Students should achieve the highest standards of intellectual, career, human and social development of which they are capable. Their K–12 schooling should be a significant contributor to this success.

Equity — The benefits that students obtain from their schooling should not be limited by their ascribed characteristics or by the social conditions affecting them outside school.

Efficiency — Effort should be focused on improving the success and achievement of students and the conduct of education from Kindergarten to Grade 12.

Core Business

The primary function of the Ministry of Education is to provide leadership and support for the K–12 system. The core business of the Ministry is to:

- allocate funds for the education system;
- set educational standards based on the outcomes students need to achieve;
- monitor student performance and report the results to the public;
- work with schools and communities to improve student and school performance; and
- oversee the governance of the education system as a whole.

Education plays a central part in the government's priorities. It is widely held that improved educational attainment increases job opportunities, earning potential, and overall economic growth while reducing levels of crime, dependence on government financial support, and use of health care services. An educated populace is the fundamental basis of a civil society.

During the 2001/02 school year there were 632,024 students enrolled in 1,794 public schools across the province. These figures include 17,743 students enrolled in 35 continuing education schools and 6,844 students enrolled in 9 distance education schools. Funded by provincial grants, public schools have non-restrictive admission policies and an obligation to provide an educational program for all students enrolled. Public schools are required to provide instruction in core and elective subjects.

Sixty school districts including the Conseil scolaire francophone de la Colombie-Britannique ensure schools provide students with opportunities for quality education. The board of school trustees in each district is accountable to the public for allocating funds according to local conditions and priorities, and for the quality, cost-effectiveness, and educational outcomes of the programs delivered to students. It is also the responsibility of the board to ensure that educators follow provincial legislation and policies.

The provincial government provides financial support for independent schools that meet specified standards consistent with the *Independent School Act*. There were 59,951 students enrolled in 340 independent schools in BC during the 2001/02 school year.

In addition to public and independent schools, 3,651 students were registered as having received home-based schooling during the 2001/02 school year. These students receive their education at home, and their parents have access to education services and resources including assessment, learning materials and record keeping.

The enrolment of Aboriginal students in BC public schools increased from 46,876 in 2000/01 to 48,933 students or 7.7% of the total student enrolment in 2001/02. In the same year, 65,701 students in BC public schools were identified as students with special needs, a decline of 549 students from the previous year.

Involvement of parents and the wider community is critical to the success of the K–12 education system. The role of parents in providing a quality education for students is recognized formally in the *School Act*.

Strategic Shifts

The table below outlines the strategic shifts that are being undertaken by the Ministry of Education as approved by the Core Services Review.

Past practices	Shifts to
Focus on finance and process	Mandated focus on student achievement and outputs rather than inputs
Accountability is defined as compliance with process	Accountability for results through accountability contracts, monitoring and public reporting
School Boards exercise limited power to be entrepreneurial	School Boards have the ability and are encouraged to engage in entrepreneurial activities
Ministry has limited ability to intervene for educational reasons	Ministry intervention through better use of data, accountability contracts, appointment of an advisor(s), appointment of an official trustee
Ministry funds "one-size-fits-all" programs	Ministry funds learning, boards develop programming choices and direct expenditures that reflect their local needs
Ministry collects data	Ministry shares information with schools, School Boards and the public
Complex funding formula containing historical anomalies	Understandable, comprehensive and transparent funding system
Annual funding to School Boards	Predictable, 3-year funding envelope
Limited attention to school level activity	Focus on schools through school growth plans, transparent funding showing school level detail, reporting on school level data
School Boards restricted by unnecessary rules, regulations and policies	School Boards freed to make more decisions which help to improve student achievement

Environmental Scan

The social and economic environment influences the system's operation and effectiveness. Factors such as the number and location of students, provincial funding levels, workplace requirements, special needs of students, and public support all affect the operation and performance of the education system.

Due to an aging population, enrolments in elementary schools are projected to decline over the next 10 years followed by declines in secondary school enrolment. Rural regions are already experiencing declining enrolments. Although it is anticipated there will be an overall decline in enrolment urban districts, primarily in the lower mainland, are projected to experience enrolment growth.

During the 1990's immigration substantially increased the need for English as a Second Language (ESL) service in several districts. Changing ESL needs are short-term consequences of this immigration while in the longer-term cultural and linguistic composition of British Columbia is being re-defined.

The Aboriginal population in BC is young and growing at a faster rate than the remainder of the population. There are also growing numbers of children in BC identified as having special needs, notably children requiring intensive and costly interventions.

Compared with their predecessors and with other national and international jurisdictions, students in BC are performing well, and transition to colleges and technical institutions has increased significantly in the last decade. The number of students who are eligible for university education exceeds the number of available spaces in BC universities.

Employers' need for qualified personnel is increasing as the workforce ages and moves into retirement. The service industry continues to be the dominant sector in BC. This industry is expanding and many students are entering this sector directly from Grade 12. The high-tech sector is also expanding. Technological advances across many occupations are expected to create a long-term requirement for employees with specific technical and computer skills.

Update on *New Era* Commitments

Government embarked on an ambitious *New Era* agenda for education in 2001/02. The status of these commitments is summarized below.

New Era Commitments Achieved:

- 90 day commitment: Restore education as an essential service under the Labour Code to ensure that no child's right to an education is denied during school strikes and lockouts (Achieved through legislation passed in August 2001).
- Maintain and increase education funding levels by increasing revenues through economic growth (The education budget has been maintained).
- Guarantee that parents of students attending schools are entitled to volunteer their services, provided it does not result in the displacement of existing staff services (Achieved through legislation passed in August 2001).
- Give local School Boards more autonomy and control over the delivery of education services, subject to provincial curriculum and testing standards (The new funding formula gives School Boards the autonomy they need to make decisions based on local needs. Amendments to the *School Act* (Bill 34) also provide School Boards with greater autonomy).
- Devote more of each education dollar to improving the quality of education, and less to bureaucracy (A new, simplified funding formula gives school districts flexibility to allocate funding to meet the needs of their students).
- Give School Boards multi-year funding envelopes, to improve long-term education planning and budgeting (Achieved through new funding allocation system introduced in March 2002).
- Maintain current funding arrangements for independent schools (Achieved through new funding allocation system introduced in March 2002).
- Support more flexibility and choice in public schooling (Amendments to the *School Act* (Bill 34) give students the choice to attend any school in the province, provided space is available, while requiring districts to create catchment areas so students can attend their neighbourhood schools).
- Improve school accreditations (Amendments to the *School Act* (Bill 34) create a new accountability cycle which requires each school, district and the Ministry to review performance measures, and develop goals and strategies for improvement every year).
- Establish specific goals and outcomes to measure the success of educators in public schooling (New accountability contracts have been established, and school planning councils are responsible for developing an annual plan for each school, including goals and outcomes for improvement).
- Eliminate the PST on basic school supplies purchased by Parent Advisory Councils, which volunteer their time and effort to raise money for public schools (Budget 2002 in February provided PST refunds on purchases by Parent Advisory Councils).

New Era Commitments in Progress:

1. Ensure that music, arts and physical education curricula are fully funded.

Plans to address: Through the new funding allocation system introduced in Spring 2002, the Ministry provided the autonomy and flexibility to School Boards to allocate resources to meet local needs. Boards have the capacity to allocate provincial funds to all areas of the curriculum including music, arts and physical education.

This is just the first step. In addition to the changes to the funding allocation system the Ministry is undertaking a comprehensive review of graduation requirements. Once completed, progress in implementing the music, arts and physical education curriculum can be monitored through school board accountability contracts.

2. Work with educators and employers to expand job training and skills development opportunities.

Plan to address: Four initiatives are currently under development:

a. Ministry and district staff are partnering with industry to develop employability skills for Grade 11 and 12 students.

b. The Ministry of Education and the Ministry of Advanced Education are working together to encourage more K–12 students to consider trades training as a pathway to a viable and enjoyable career.

c. Beginning with the 2002/03 school year, funding for career programs will be combined with the general operating grants as part of the student-based allocation provided to School Boards. This gives School Boards the autonomy and flexibility they need to meet students' needs and local priorities. The *Career Programs Order* and *Work Experience Order* set out guidelines that districts will follow. The Ministry supports districts in the local development of career programs.

d. Recommendations from the Graduation Requirements Review are also expected to address issues about career pathways for students.

3. Provide teachers with more technology training.

Plan to address: Enhanced teacher training is a key component of our ability to expand distance education and other technology-based initiatives, which will enhance learning opportunities and contribute to the overall goal of improved student achievement.

Throughout BC, teachers are integrating Information and Communication Technology (ICT) into their teaching practice and in turn providing students with effective and engaging learning opportunities. The ICT Standards Project aims to support the effective and appropriate integration of ICT into teaching and learning by establishing common provincial standards with respect to students' skills and application of ICT, providing a resource to teachers to aid in assessing and reporting student performance using ICT, and providing "snapshots" of students' work that demonstrate a range of performance using ICT.

The Ministry is also actively pursuing partnerships that will enable the Ministry to work with teachers, school districts, other education partners and the private sector in order to fulfil this commitment.

4. Put more computers in schools and increase resources to improve computer literacy for students of all ages.

Plan to address: Last year, 5,000 computers were transferred to BC schools through the Computers for Schools Program. The Ministry and Chief Information Officer are partnering to explore options to enhance technological infrastructure in schools. The new funding allocation system provides school districts with the flexibility to prioritize spending on technology to meet local needs.

In June 2001, the Premier assigned the Minister of Education a number of key projects. The status of these projects are summarized below.

Key Projects Completed:

- Examine opportunities for providing increased flexibility and choice in public schooling. (Amendments to the *School Act* (Bill 34) provide opportunity for students to attend the school of their choice if space is available. Through the Graduation Requirements Review, additional opportunities for student success are also expected to be addressed)
- Develop an understandable, transparent, comprehensive population-based funding formula for school districts and independent schools. (Introduced in March 2002 for implementation in 2002/03 school year)
- Develop accountability contracts with school districts, including reporting of outcomes. (Contracts for all districts were submitted to the Ministry and posted on the Ministry's website in February 2002. School Boards are required to submit their second accountability contract to the Ministry by October 31, 2002. This contract will include a report on their outcomes over the last year)

Key Projects in Progress:

1. Clearly define the role of the provincial Ministry of Education, including the current governance model and the role of interest groups and make recommendations.

Plan to address: The role of the Ministry has been defined in the Ministry Service Plan and through the Core Services Review. Further clarification comes as a result of the spring 2002 legislation, Bill 34. In addition, the *Statement of Education Policy Order*, which also refers to the roles and responsibilities of education partners, is being revised.

2. Improve student performance over four years.

Plans to address: Improving student achievement is the overarching goal in the Ministry and in all parts of the education system. Activities resulting from the Ministry's Core Services Review, approved in November 2001, are focused on the goal of improving student achievement: setting standards; monitoring performance; reporting publicly on performance; funding and governance.

3. With the Chief Information Officer, make recommendations for enhancing technological infrastructure in schools.

Plans to address: With the assistance of staff from the Chief Information Office, the Ministry has made upgrades to the PLNet to provide faster connectivity to approximately 1/3 of the schools across the province. The Ministry continues to explore other options to enhance technological infrastructure.

Performance Reporting

The BC education system is committed to the efficient use of public funds in order to ensure all students have opportunities to become accomplished in a range of essential academic and life skills.

The performance results presented in this report focus on the four goals outlined in the Ministry of Education Service Plan 2002/2003 – 2004/2005.

1. Improved student achievement.
2. Responsible citizens who contribute to a competitive and growing economy.
3. A top-notch performance-oriented education system.
4. Parity of achievement for all students regardless of ethnic origin, gender, geographic location, physical characteristics, or socio-economic status.

The K–12 education system is based on the school year. The Ministry has presented performance results collected during the school year July 2000 through June 2001, as this is the most current information available at the time of printing.

Each year the Ministry collects, reviews and distributes a variety of data for accountability purposes and to support performance management. The collection of student enrolment data supports a population-based funding formula. The assignment of a unique identifier to each student-the Personal Education Number (PEN)-is used to monitor student achievement and generate statistics about student movements and transitions between grades and schools. Student performance data including breakout of results for students with special needs, Aboriginal students and gender differences are also collected.

Performance results for all students in both independent and public schools are included in the data wherever possible. Results for subpopulations of students are presented in Goal 4. Definitions for Aboriginal and special needs can be found in the glossary in Appendix A.

Goal 1 Improved student achievement

A strong foundation for a productive, satisfying life is indicated when students exhibit positive learning achievement patterns in core areas of instruction.

Performance Measures

- Percentage of students meeting or exceeding expectations on Foundation Skills Assessments (FSA)
- Grade 8-9 transition rate
- School completion rate
- Percentage of students with "C" or better in Grade 12 courses
- Number of Grade 12 students receiving scholarships

Foundation Skills Assessment (students meeting or exceeding expectations) *

		1999/2000	2000/2001
Reading	Grade 4	79.5%	77.9%
	Grade 7	80.7%	75.7%
	Grade 10	79.4%	74.7%
Numeracy	Grade 4	79.5%	83.9%
	Grade 7	79.7%	81.2%
	Grade 10	74.7%	76.7%
Writing	Grade 4	Not comparable with 2000/01 data.	90.7%
	Grade 7		81.0%
	Grade 10		86.2%

* FSA provides a snapshot of how students performed on recent Foundation Skills Assessments. There are not yet sufficient years of data collected to establish a trend in the results. 2000/01 FSA results for writing are not comparable to 1999/00; therefore 2000/01 data will be the baseline for future assessments of writing.

Transition (Grade 8 into Grade 9)

	1999/2000	2000/2001
Percentage of students who successfully made the transition from Grade 8 into 9*	95.2%	95.3%

* Data not adjusted for outmigration (students who moved out of province between grade 8 and 9).

Student Performance (Grade 12) and School Completion

	1999/2000	2000/2001
Dogwood Completion Rates*: Percentage of Grade 8 students completing their secondary education within 6 years by receiving a Dogwood Diploma.	74.8%	75.9%
Students with "C" or better in Grade 12 courses:**		
Communications	72.4%	69.2%
English	78.0%	80.0%
Principles of Math	76.4%	79.0%
Scholarships Grade 12 students receiving scholarships	4,222 (10.3% of graduates)	4,651 (11.1% of graduates)

* The proportion of students who graduate with a Dogwood Diploma within six years of starting Grade 8 for the first time in a BC public or independent school. It includes migrants to BC who would have been in Grade 8 in the base year, and is adjusted for out-migration from BC. Most students graduate within the first five years of the six-year period. This rate, which uses Personal Education Numbers (PENs) to track students, is used in the six-year period ending in 1996/97 and subsequent six year periods.

** Data includes students who received the final letter grade of C, C+, B, and A.

Goal 2 Responsible citizens who contribute to a competitive and growing economy

It is widely held that improved educational attainment increases job opportunities and improves earning potential. The education system in BC offers a range of academic study and life skills which enables students to connect their learning experiences with what is expected in the work place or post secondary education.

The school system also plays a critical role in facilitating and supporting the development of students as active, generous, and responsible participants in their schools and communities.

Objective 1 To improve student achievement in areas of career development

Performance Measures

- School completion rate
- Percentage of students making transitions to work and/or post secondary education

School Completion (Dogwood Completion Rate)*

	1999/2000	2000/2001
Percentage of Grade 8 students completing their secondary education within 6 years by receiving a Dogwood Diploma	74.8%	75.9%

* The proportion of students who graduate with a Dogwood Diploma within six years of starting Grade 8 for the first time in a BC public or independent school. It includes migrants to BC who would have been in Grade 8 in the base year, and is adjusted for out-migration from BC. Most students graduate within the first five years of the six-year period. This rate, which uses Personal Education Numbers (PENs) to track students, is used in the six year period ending in 1996/97 and subsequent six year periods.

Transitions to work and/or post–secondary education

		1999/2000	2000/2001
University application and direct admission of graduates from previous year.	Applied	27.9%	27.2%
	Qualified	24.2%	25.0%
	Admitted	21.2%	21.6%
	Registered	15.8%	16.4%
Percentage employed full-time of 19 year olds*		30.6%	29.3%
Graduates Transition Survey (Graduates main activity in the past year)**	Attending post-secondary education full-time	51.8%	2000/01 data will be available in late 2002 (for graduates from 2000/01)
	Attending post-secondary education part-time	4.9%	
	Working	37.9%	
	Unemployed and not looking for work	2.1%	
	Unemployed and looking for work	1.3%	
	Other	2.1%	

* Source: Statistics Canada, Labour Force Survey

** Telephone survey of a random sample of 1,025 graduates from 1999/2000 school year one year after graduation. There was a high response rate (70.6 per cent) and the maximum sampling error is +/- 3 per cent (19 times out of 20).

Objective 2

To improve student achievement in areas of human and social development

Performance Measures

- Percentage of students in agreement with statements reflective of socially responsible behaviour, such as community mindedness, valuing diversity, and a sense of self-worth (Baseline data collection: 2002)

Goal 3

A top-notch performance-oriented education system

Accountability for student results is strengthened through effective leadership and support in addition to sound performance management at all levels of the education system.

Objective 1

To establish the infrastructure needed to focus the education system on student achievement

Performance Measures

- Percentage of parents who report they can play a meaningful role in their children's school (Baseline data collection: 2002)
- Percentage of students that feel their school is helping them improve their computer skills (Baseline data collection: 2002)
- Percentage of education partners who report that the funding system is understandable, transparent and comprehensive (Baseline data collection: 2002)
- Proportion of curriculum documents that are older than five years
- Proportion of buildings with life expectancy under 10 years

Curriculum Documents

	1999/2000	2000/2001
Curriculum Documents older than 5 years:	Nil	5/114

Note regarding the target of zero curriculum documents older than 5 years. The Ministry is reviewing the way curriculum is developed. As a result, curriculum documents will not be reviewed until a new process is developed.

School Buildings

	1999/2000	2000/2001
Buildings with a life expectancy under 10 years	N/A	241 (13.9%)

Objective 2

To improve and maintain student, parent and teacher support for the K–12 education system

Performance Measures

- Percentage of students satisfied with their school and education (Baseline data collection: 2002)
- Percentage of parents satisfied with their child's school and education (Baseline data collection: 2002)

- Percentage of school staff satisfied with their school (Baseline data collection: 2002)
- Number of visits to Ministry websites (Baseline data collection: 2002)

Objective 3

To reduce burdensome and/or inefficient regulations in Ministry policy and legislation

Performance Measures

- Proportion of deregulation completed (Baseline data collection: 2002)
- Satisfaction of School Boards with their ability to manage effectively (Baseline data collection: 2002)

Objective 4

To perform at a high level in comparison to other jurisdictions

Performance Measures

- British Columbia's standing on national and international assessments.

	1999/2000	2000/2001
British Columbia's standing on national and international assessments.	Programme for International Student Assessment (PISA) 2000: no national or international jurisdiction out-performed BC in reading or science; only Alberta, Japan, Korea and Quebec did better than BC in math.	School Achievement Indicators Program (SAIP) 2001 Mathematics III assessment: the results indicated that BC students perform at a level statistically the same as Canada as a whole in three of the four assessment areas.

Objective 5

To build an open, performance-oriented culture inside the Ministry

Performance Measures

- Percentage of Ministry staff who feel they are contributing to improving performance in the system (Baseline data collection: 2002)
- Percentage of district staff who feel that the Ministry is focused on improving student achievement (Baseline data collection: 2002)

Objective 6

To build a performance-oriented culture with each school district

Performance Measures

- Percentage of Superintendents who have implemented accountability contracts
- Percentage of School Boards meeting the obligations in their accountability contracts (Baseline data collection: 2002)

2001/02
All sixty School Boards submitted their accountability contracts in fall 2001. The 2001/02 school year will be a planning and baseline year.

Goal 4 Parity of achievement for all students regardless of their ethnic origin, gender, geographic location, physical characteristics, or socio-economic status.

A strong foundation for a productive, self-reliant populace is achieved when every student exhibits strong performance in core areas of instruction.

Objective 1 To reduce inequalities among students in terms of their ability to meet the goals of education

Performance Measures

- Percentage of students meeting or exceeding expectations on Foundation Skills Assessments (FSA), by equity group
- School completion rate, by equity group
- Grade 8-9 transition rate, by equity group
- Percentage of students with "C" or better in Grade 12 courses, by equity group
- Number of Grade 12 students receiving scholarships, by equity group
- Percentage of students making transition to post-secondary and/or work, by equity group
- Percentage of students in agreement with statements reflective of socially responsible behaviour, such as community mindedness, valuing diversity, and a sense of self-worth, by equity group (Baseline data collection: 2002)

Foundation Skills Assessment results (students meeting or exceeding expectations)*

Reading

		Girls	Boys	Aboriginal	Not Aboriginal	Special Needs	Not Special Needs
Gr 4	1999/00	82.9%	76.1%	55.8%	81.2%	54.2%	80.4%
	2000/01	80.7%	75.2%	54.6%	79.7%	51.6%	78.6%
Gr 7	1999/00	83.8%	77.7%	56.3%	82.4%	49.4%	82.1%
	2000/01	78.0%	73.5%	51.5%	77.4%	46.4%	76.7%
Gr 10	1999/00	84.9%	74.2%	58.3%	80.5%	43.5%	80.5%
	2000/01	79.1%	70.5%	52.6%	75.8%	37.7%	75.5%

Numeracy

		Girls	Boys	Aboriginal	Not Aboriginal	Special Needs	Not Special Needs
Gr 4	1999/00	78.4%	80.6%	56.8%	81.1%	57.2%	80.2%
	2000/01	83.2%	84.5%	65.0%	85.3%	62.8%	84.5%
Gr 7	1999/00	80.4%	79.1%	54.0%	81.5%	50.2%	80.9%
	2000/01	80.2%	82.2%	57.6%	82.8%	56.9%	81.9%
Gr 10	1999/00	73.4%	75.8%	46.4%	76.0%	37.0%	75.4%
	2000/01	75.7%	77.6%	52.5%	77.8%	41.0%	77.3%

Writing

		Girls	Boys	Aboriginal	Not Aboriginal	Special Needs	Not Special Needs
Gr 4	1999/00	Data not comparable to 2000/01					
	2000/01	94.9%	86.6%	77.4%	91.7%	69.7%	91.4%
Gr 7	1999/00	Data not comparable to 2000/01					
	2000/01	89.7%	72.3%	60.6%	82.3%	48.4%	82.3%
Gr 10	1999/00	Data not comparable to 2000/01					
	2000/01	92.6%	79.8%	72.5%	86.8%	55.6%	87.2%

* FSA provides a snapshot of how students performed on the most recent Foundation Skills Assessments. There are not yet sufficient years of data collected to establish a trend in the results. 2000/01 FSA results for writing are not comparable to 1999/00, therefore 2000/01 data will be the baseline for future assessments of writing.

School Completion (Dogwood Completion Rates)*

	All	Girls	Boys	Aboriginal	Not Aboriginal	Special Needs	Not Special Needs
1999/00	74.8%	79.4%	70.4%	38.9%	77.6%	Data not available.	77.7%
2000/01	75.9%	80.6%	71.4%	42.1%	78.6%		79.0%

* The proportion of students who graduate with a Dogwood Diploma within six years of starting Grade 8 for the first time in a BC public or independent school. It includes migrants to BC who would have been in Grade 8 in the base year, and is adjusted for out-migration from BC. Most students graduate within the first five years of the six-year period. This rate, which uses Personal Education Numbers (PENs) to track students, is used in the six year period ending in 1996/97 and subsequent six year periods.

Transition Grade 8 into Grade 9 *

	All	Girls	Boys	Aboriginal	Not Aboriginal	Special Needs	Not Special Needs
1999/00	95.2%	95.7%	94.7%	85.8%	95.9%	88.5%	95.5%
2000/01	95.3%	95.8%	94.8%	86.6%	96.0%	87.4%	95.7%

* Data not adjusted for outmigration (students who moved out of province between grade 8 and 9)

Students with "C" or better in Grade 12 courses*

Communications 12

	All	Girls	Boys	Aboriginal	Not Aboriginal	Special Needs	Not Special Needs
1999/00	72.4%	78.4%	69.1%	71.4%	72.6%	67.2%	73.6%
2000/01	69.2%	75.7%	65.5%	64.3%	69.8%	65.3%	70.1%

English 12

	All	Girls	Boys	Aboriginal	Not Aboriginal	Special Needs	Not Special Needs
1999/00	78.0%	84.2%	71.2%	65.3%	78.5%	59.8%	77.2%
2000/01	80.0%	85.7%	73.8%	69.0%	80.4%	63.9%	79.3%

Principles of Math 12

	All	Girls	Boys	Aboriginal	Not Aboriginal	Special Needs	Not Special Needs
1999/00	76.4%	79.4%	73.9%	64.6%	76.6%	58.4%	75.0%
2000/01	79.0%	81.8%	76.5%	62.4%	79.2%	57.0%	77.7%

* Data includes students who received the final letter grade of C, C+, B, and A.

Grade 12 students receiving scholarships

	All	Girls	Boys	Aboriginal	Not Aboriginal	Special Needs	Not Special Needs
1999/00	4,222	2,364	1,858	33	4,189	9	4,213
2000/01	4,651	2,533	2,118	39	4,612	24	4,627

Transition to university

University eligibility and direct admission (99/00 graduates)

	All	Girls	Boys	Aboriginal	Not Aboriginal	Special Needs	Not Special Needs
Applied	27.9%	29.9%	25.8%	6.1%	29.3%	2.1%	27.3%
Qualified	24.2%	26.3%	22.0%	4.5%	25.5%	1.5%	23.4%
Admitted	21.2%	23.1%	19.3%	4.1%	22.4%	1.4%	20.3%
Registered	15.8%	17.1%	14.4%	2.5%	16.7%	1.2%	15.0%

University eligibility and direct admission (00/01 graduates)

	All	Girls	Boys	Aboriginal	Not Aboriginal	Special Needs	Not Special Needs
Applied	27.2%	29.3%	25.0%	7.0%	28.7%	2.3%	26.1%
Qualified	25.0%	27.1%	22.7%	5.9%	26.4%	2.0%	23.7%
Admitted	21.6%	23.6%	19.4%	5.4%	22.8%	1.3%	20.2%
Registered	16.4%	17.7%	14.9%	4.0%	17.3%	0.8%	15.2%

Report on Resources

The following resource summary table reports on the financial resources used during the government fiscal year 2001/02.

2001/02 Resource Summary

For the Period April 1, 2001 to March 31, 2002

	2001/02 Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Public Schools	4,094,142		4,094,142	4,123,553	(29,411)
Independent Schools	150,730		150,730	156,828	(6,098)
Debt Services	358,100		358,100	322,946	35,154
Amortization of Prepaid Capital Advances	187,800		187,800	187,775	25
Program Management	34,908		34,908	33,337	1,571
Corporate Services	17,812		17,812	17,421	391
Total	4,843,492	0	4,843,492	4,841,860	1,632
Full-time Equivalents (FTEs)					
Total	378		378	370	8
Ministry Capital (Expenditures) ($000)					
Information Systems	5,430		5,430	4,492	938
Other	367		367	101	266
Total	5,797	0	5,797	4,593	1,204
Consolidated Capital Plan Expenditures ($000)					
Public Schools	305,000	0	305,000	282,371	22,629
Other Financing Transactions (Net Disbursements) ($000)					
N/A	0	0	0	0	0

Public Schools: A one-time special grant was allocated to school districts on a per-pupil basis, using September 2001 enrolment figures. School districts received nearly $42.8 million. This cost was offset mainly by savings in the ministry budget, savings in debt servicing and sinking fund earnings.

Independent schools received two special purpose grants totaling approximately $3.8 million. These special purpose grants were issued to all school districts for operational expenditures and independent schools grants were calculated using the same percentages used for calculating their annual operating grants. In addition, independent school funding was higher due to higher student enrolment, per FTE student amount, and special education increases.

Debt service savings resulted primarily from lower than anticipated interest rates, higher than anticipated sinking fund earnings and a reduction in planned capital spending.

Consolidated capital plan expenditures were $23 million lower due to delays in some construction schedules and the deferral of or reduction in scope for several projects.

Appendix A — Glossary of Ministry Terms

Aboriginal Student	For the purposes of this report, "Aboriginal" includes only self-identified students. For Foundation Skills Assessment (FSA) results, "Aboriginal" refers to students who reported themselves as Aboriginal in the school year from which the data have been drawn. For all performance data except FSA results, "Aboriginal" refers to students who have ever reported themselves as Aboriginal.
Accreditation	A process involving all BC public schools, focusing on school improvement and accountability. Under the School Accreditation Regulation, the process involves participation in a school self-assessment, the development of a school growth plan, and evaluation by an external team. Student outcomes (knowledge, skills, and attitudes), parent/teacher satisfaction, and community satisfaction are examined and reported.
Board of School Trustees	An elected board of trustees as constituted under the *School Act*.
Conseil scolaire francophone de la Colombie-Britannique (CSF)	The CSF is BC's only francophone education authority. It was established in 1995 to meet BC's obligation under the Canadian Charter of Rights and Freedoms to enable francophones to manage their own education programs. Students enrolled in CSF schools are taught the same standard curriculum as any other BC student; however, they receive their instruction in French, and have an added linguistic and cultural component.
Continuing Education	An education program offered by school districts, primarily for adults, leading to either secondary school completion or the upgrading of a current graduation certificate.
Core Services Review	A comprehensive examination of all provincial programs and activities that took place during the fall of 2001. Its overarching objective was to identify and to confirm the government's core roles and responsibilities and to identify ways to improve the delivery of government services.
Curriculum	What students are expected to know and be able to do at each grade in each subject. School Boards are required to address these expectations.
Distance Education	Course work that takes place without a requirement for the learner to be physically present in a traditional classroom setting. Instruction occurs through correspondence, telecommunications, or other electronic media and is provided throughout the year, permitting a flexible schedule. Distance education courses are available to public and non-public K–12 school students.

Dogwood Completion Rate (tracking-based)	The proportion of students who graduate with a Dogwood Diploma within six years of starting Grade 8 for the first time in a BC public or independent school. It includes migrants to BC who would have been in Grade 8 in the base year, and is adjusted for out-migration from BC. Most students graduate within the first five years of the six-year period. This rate, which uses Personal Education Numbers (PENs) to track students, was first used in 1996/97 and is available for all subsequent years.
Dogwood Diploma	A certificate granted to students who meet secondary school graduation requirements by successfully completing Grade 11 and 12 required courses (Foundation Studies) and elective courses (Selected Studies). Also known as the British Columbia Certificate of Graduation.
English as a Second Language (ESL) Program	Designed for students whose use of English is sufficiently different from standard English that they require specialized services to adjust to the linguistic and cultural environment in order to be successful in the British Columbia school system.
Foundation Skills Assessment (FSA)	This assessment is administered annually to all students in Grades 4, 7, and 10. It measures student achievement in reading comprehension, first draft writing, and numeracy.
Foundation Studies	A common core of learning comprised of provincially prescribed curriculum to ensure that all students learn to read, write, and do basic mathematics, solve problems, and use computer-based technology. These basic skills are emphasized through studies in English, mathematics, science, social studies, fine arts, and applied skills from Kindergarten to Grade 12.
Funding Allocation System	The system the provincial government uses to allocate funds to the school districts for public education. The yearly amounts are derived through a formula based on a student base allocation plus supplementary grants.
Graduation Requirements Review	A review designed to support student achievement through improved graduation rates; increased choice and flexibility within the system; and the provision of relevant, challenging, and coherent programs for all secondary students. The review involves extensive consultation and research and is to be completed prior to October 2002.
Home School	Students may be taught at home without the supervision of a school, but are registered with a public, francophone, distance education, or independent school or with the Ministry.

Independent School	A person or organization outside the public school system providing an educational program to 10 or more school-age students. These schools are governed by the *Independent School Act* and are grouped into four classifications. Group 1 schools offer programs consistent with the BC curriculum, employ certified teachers, maintain adequate education facilities, and meet municipal codes. They receive per-student grants at 50 per cent of the student costs of local public schools. Group 2 schools meet the same requirements as Group 1 schools, but receive student grants at the 35 per cent level because their per-student costs exceed those of the local public schools. Group 3 schools must maintain adequate facilities and meet municipal codes; they do not receive provincial grants. Group 4 schools cater to non-provincial students. They meet the same curriculum requirements as Group 1, and at least 80 per cent of their teachers are certified. These schools must be bonded and are not eligible for grants.
Integrated Resource Package	An educational document that provides some basic information required by K–12 teachers to implement a subject/course. It contains provincially prescribed learning outcomes (also known as provincially prescribed curriculum), suggested instructional strategies for achieving learning outcomes, suggested assessment strategies, and provincially recommended learning resources.
Locally Developed Programs	The *School Act* gives School Boards the authority to offer education programs that are developed locally to suit the specific needs of the community. As much as 20 per cent of curriculum can be made up of locally developed programs.
Parent Advisory Council (PAC)	Under the *School Act*, parents may establish an advisory council for the school their child attends. Through elected officers, the council may advise the board, principal, and staff on any matters relating to the school.
Provincial Examinations	Measure student performance in selected Grade 12 academic courses. Some independent schools in BC and some public schools in the Yukon also participate. Provincial examinations are currently held in November, January, April, June, and August.
Provincial Learning Network (PLN)	A province-wide telecommunications network which connects K–12 schools with colleges, universities, institutes, Open Learning Agency sites, libraries, museums, and science and cultural sites.
Provincially Prescribed Curriculum	The provincially prescribed (required) curriculum is contained within Integrated Resource Packages (IRPs) in the form of learning outcomes. These are statements of what students are expected to know and be able to do in each grade. They describe the knowledge, enduring ideas, issues, concepts, skills, and attitudes for each subject. All learning outcomes complete the stem: "It is expected that students will . . ."

Public School	A body of students, teachers, other staff, and facilities organized as a unit for educational purposes under the supervision of an administrative officer and administered by a district school board. Types of public schools include standard, continuing education, and distance education schools.
Public Service Renewal	A project launched by the Public Service Employee Relations Commission (PSERC) in 2001. The purpose of the project is to develop and implement people-management solutions to enable the public service to meet current and future challenges.
School Board	see Board of School Trustees.
School Completion Rate	An estimate of the proportion of students who started Grade 8 in a BC school and graduate with a Dogwood Diploma. This rate is adjusted for population changes over time. See also Dogwood Completion Rate.
School District	A geographic area constituted as a district under the *School Act*. There were 59 school districts and the Francophone Education Authority in the province at the time of this report.
Special Education	Refers to a range of student support services provided by school districts to respond to the educational needs of its students, particularly those who are gifted or have a disability.
Special Needs, Students with	Students who have a disability of an intellectual, physical, sensory, emotional or behavioural nature, have a learning disability, or have exceptional gifts or talents. Quantitative data for this report have been drawn specifically from the following categories of students: Severe Behaviour, Learning Disability-Severe, Behaviour Disorder-Moderate and Behaviour Disorder-Rehabilitation.
University Eligibility	Graduation with a Grade Point Average (GPA) of at least 2.5 (A = 4; B = 3; C + = 2.5; C = 2; C- = 1). The GPA is calculated by averaging English 12 and the three other highest-graded Grade 12 courses. University eligibility is a measure of eligibility to apply for university entrance. It is not by itself a guarantee that the application will be successful; it is not a formal qualification.

Ministry of
Energy and Mines

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

**Ministry of
Energy and Mines**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Energy and Mines.
Annual Report. — 1997/98

Annual.
Cover title: Annual report of the Ministry of Energy and Mines.
Continues in part: British Columbia. Ministry of Employment and Investment. Annual report. ISSN 1203-9195.
ISSN 1481-7152 = Annual Report - British Columbia. Ministry of Energy and Mines

1. British Columbia. Ministry of Energy and Mines - Periodicals. 2. Energy development - British Columbia - Periodicals. 3. Mines and mineral resources - British Columbia - Periodicals. 4. Mineral industries - government policy - British Columbia - Periodicals. 5. Energy development - Government policy - British Columbia - Periodicals. I. Title. II. Title: Annual Report of the Ministry of Energy and Mines.

TN27.B7B74 354.4'09711'05 C99-960008-7

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Published by the Ministry of Energy and Mines
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Energy and Mines Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Richard Neufeld
Minister of Energy and Mines

June 24, 2002

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Ministry of Energy and Mines

Fiscal year 2001/02 marked the dawn of a *New Era* in British Columbia and the beginning of a new way of doing business for the Ministry of Energy and Mines. The ministry's new focus is designed to foster investment, revitalize the energy and minerals sectors, and generate renewed economic strength and prosperity in B.C.

Under the leadership of Premier Gordon Campbell, government has taken bold steps to create a brighter future in B.C. Aggressive tax cuts and deregulation have laid the foundation for economic growth now and in the years ahead. My ministry is building on that foundation to ensure the energy and minerals sectors play key roles in revitalizing the economy and re-establishing British Columbia as a leading North American investment location.

This year the ministry shifted to streamlined, results-based industry regulations and performance-based compliance and enforcement measures. The days of prescriptive regulation and policies are over. The goal is to make it more efficient and cost-effective for energy and minerals companies to do business in British Columbia while upholding high environmental, health and safety standards.

We enhanced the single-window permitting authorities of the B.C. Oil and Gas Commission to ensure more permits are approved, faster. Cuts and changes to regulation provide greater access and certainty for oil and gas operators. We also moved toward a streamlined, single-window authority for mining to eliminate duplication and encourage mineral exploration. Our recently launched investment attraction strategy highlights these changes and helps meet our goal of generating $24 billion in investment in energy and mining over the next six years to create 8,000 new direct jobs.

As well, the ministry has made significant progress in building relationships with First Nations. This year, the OGC has signed seven agreements with Treaty 8 First Nations, and talks are underway around the province. Through increased First Nations participation in the energy and minerals sectors, we can strengthen relationships and enhance the benefits from resource activities for First Nations and all British Columbians.

I am proud of the success the ministry has achieved this year, and look forward to even greater achievements in the years to come. In all, we will be guided by our commitment to restoring sound fiscal management, and this report is designed to reflect the open, accountable way in which our government serves British Columbians.

I am pleased to present the details of our success in this annual report for the fiscal year 2001/02.

R Neufeld

Richard Neufeld
Minister

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Year-at-a-Glance Highlights

Fiscal year 2001/02 was a significant year for B.C.'s energy and mineral resource sectors. Growth in the development of the province's oil and gas resources continued to be unprecedented, and continued to provide significant benefits to all British Columbians. At the same time, important steps were taken to re-ignite the mineral exploration and mining industries. Key achievements for fiscal 2001/02 are:

- Set a record sales value of oil and gas production of $4.1 billion, which provided direct revenue of $1.3 billion to the province.
- The mining industry produced 26.5 million tonnes of coal from seven mines, which was valued at approx. $1,068 million in 2001. About 96 per cent was metallurgical coal, which is sold to some North American steel producers, but is mainly exported to steelmakers in Asia, Europe and South America.
- The mining industry produced coal, copper, gold, silver, zinc, lead and industrial minerals and construction aggregates, which were valued at $2.9 billion in 2001.
- Introduced a new 20 per-cent flow-through share tax credit for new mineral exploration in B.C. that is harmonized with the federal government's 15 per cent flow-through tax credit to provide tax savings and credits worth 63 per cent of share investments.
- Launched a five-member Energy Policy Task Force to develop a comprehensive, long-term energy policy for B.C.
- Completed several interim measures that increased First Nations' participation in the oil and gas and mineral sectors, and signed seven revised agreements with Treaty 8 First Nations.
- Launched the consultation phase of the Map Selection Implementation Project, which is a new electronic program for staking mineral claims.
- Committed to a three-year partnership with the Geological Survey of Canada to study the oil and gas potential of the province's interior sedimentary basins.
- Appointed a three-member scientific panel on October 21, 2001, to determine the feasibility of developing B.C.'s offshore oil and gas resources. This complemented the work of a six-member task force made up of Northern MLAs, who were asked to report on the views of northern communities and First Nations on offshore oil and gas development.
- Amended the petroleum and natural gas royalty and freehold production tax regulation to create a new royalty regime for coalbed methane.
- Completed a thorough review of the ministry's essential services, and established a new three-year plan to deliver these services.

Ministry Role and Services

Introduction

The Ministry of Energy and Mines plays an important role in ensuring the long-term growth and sustainability of the province's energy and mineral sectors.

Fiscal year 2001/02 saw unprecedented growth in the development of B.C.'s oil and gas resources and a one-time increase in revenue from electricity trade. These developments contributed significantly to the province in terms of direct and indirect employment opportunities and revenues that supported services such as health care and education. Over the past year, the Ministry of Energy and Mines took critical steps to strengthen the contribution the oil and gas industry makes to the province. The results are already being felt. In 2001/02, the oil and gas industry contributed $1.3 billion to provincial coffers.

The ministry also took steps to revitalize mining and mineral exploration in B.C. While a small increase in exploration expenditures did occur in 2001/02, the minerals sector continued to face challenges. With continued efforts, the goal is to foster renewed growth in mineral exploration and mining to create investment and jobs for British Columbians.

Vision

The Ministry of Energy and Mines serves as the catalyst and facilitator for the development of thriving, sustainable and competitive energy and mineral resource sectors for the benefit of all British Columbians.

Mission

The Ministry of Energy and Mines promotes a competitive investment climate, which encourages responsible development of energy and mineral resources, supports job creation, and ensures environmental protection and public and worker health and safety.

The Ministry of Energy and Mines responsibilities are to:

- manage the disposition of mineral and petroleum rights;
- encourage responsible development of B.C.'s energy and mineral resources;
- enhance B.C.'s position as a key player in global energy and mineral sectors;
- implement regulations to protect public and worker health and safety, and the environment; and
- provide policy, legislation and geoscience advice and support for the foregoing activities.

The Minister of Energy and Mines is also responsible for BC Hydro, Oil and Gas Commission, B.C. Utilities Commission, Columbia Basin Trust, Columbia Power Corporation, Mediation and Arbitration Board and Assayers Certification Board of Examiners. Each agency submits its own annual report.

Core Values/Principles

The following values and principles guide how the Ministry of Energy and Mines delivers its mandated responsibilities:

Advocacy	• The ministry promotes the economic development of B.C.'s energy and mineral resources to create prosperity for all British Columbians. • The ministry represents the interests of the energy and mineral sectors to broader stakeholder groups and assists responsible development of those sectors. • The ministry informs the government, industry and citizens of the province of the benefits of responsible resource development.
Integrity	• The ministry is committed to developing the province's energy and mineral resources in a fair and responsible manner, while protecting health, safety and the environment.
Transparency	• The ministry ensures its regulations and processes are applied in a fair and open manner, and that related and relevant information is adequately communicated to its stakeholders and the general public.
Responsiveness	• The ministry strives to respond to the needs of its stakeholders in a timely and effective manner.
Efficiency	• The ministry strives to deliver its programs and strategies in the most efficient manner to enhance B.C.'s competitiveness as a resource investment location.
Accountability	• The ministry is accountable to government and the public and strives to ensure that its actions deliver the results put forth in its service plan.

Performance context

Internal and external factors can have a significant impact on the ministry's activities and results.

External factors

In recent years, strong U.S. demand has bolstered B.C. exports, particularly natural gas and electricity. As well, high energy prices supported a surge in oil and gas exploration. In B.C., the Ladyfern natural gas field discovery, one of Canada's largest finds in the past 15 years, has put the province on the map for global investors and generated increased activity and investment.

One of the main factors affecting the success of the minerals sector was low commodity prices. In addition, uncertainty due to unresolved First Nation land claims and access to land and security of tenure as a result of land-use planning continued to have an effect. While commodity prices are out of the ministry's control, significant progress was made toward building effective relationships resulting in several mutually beneficial agreements with First Nations.

As well, the global economy slowed in 2000/01, beginning in Asia in the first half of 2000 and then affecting Europe and finally the United States and Canada in early 2001. This resulted in lower demand for commodities, lower prices and reduced export volumes. Company earnings generally fell in each quarter of 2001, reducing investor confidence and resulting in significant declines in all major market indices.

Consumer confidence also diminished, particularly following the September 11, 2001, terrorist attacks that continue to have economic costs, including reduced spending and demand. Following these events, new security provisions have been put in place that will impact cross-border market access for future trading. In addition, in May 2001, the United States released its National Energy Policy paper and is developing comprehensive electricity legislation that could further affect trading relationships. B.C. has begun engaging Canadian and American counterparts on all of these matters.

These external factors have significantly affected B.C. Despite this, the energy and minerals sectors contributed significantly to the provincial economy and are expected to play major roles in B.C.'s economic renewal in the years ahead.

Internal factors

The Ministry of Energy and Mines worked to align its planning and operational timeframes with resource industries. It began working on a new organizational structure that considers the ageing ministry workforce, improves co-operation and co-ordination with other government ministries such as Water, Land and Air Protection and Sustainable Resource Management, and enhances the single-window agency approach to increase efficiency. Valuable progress has been made, and ongoing improvements are expected to significantly improve ministry operations in the years ahead.

Strategic Shifts

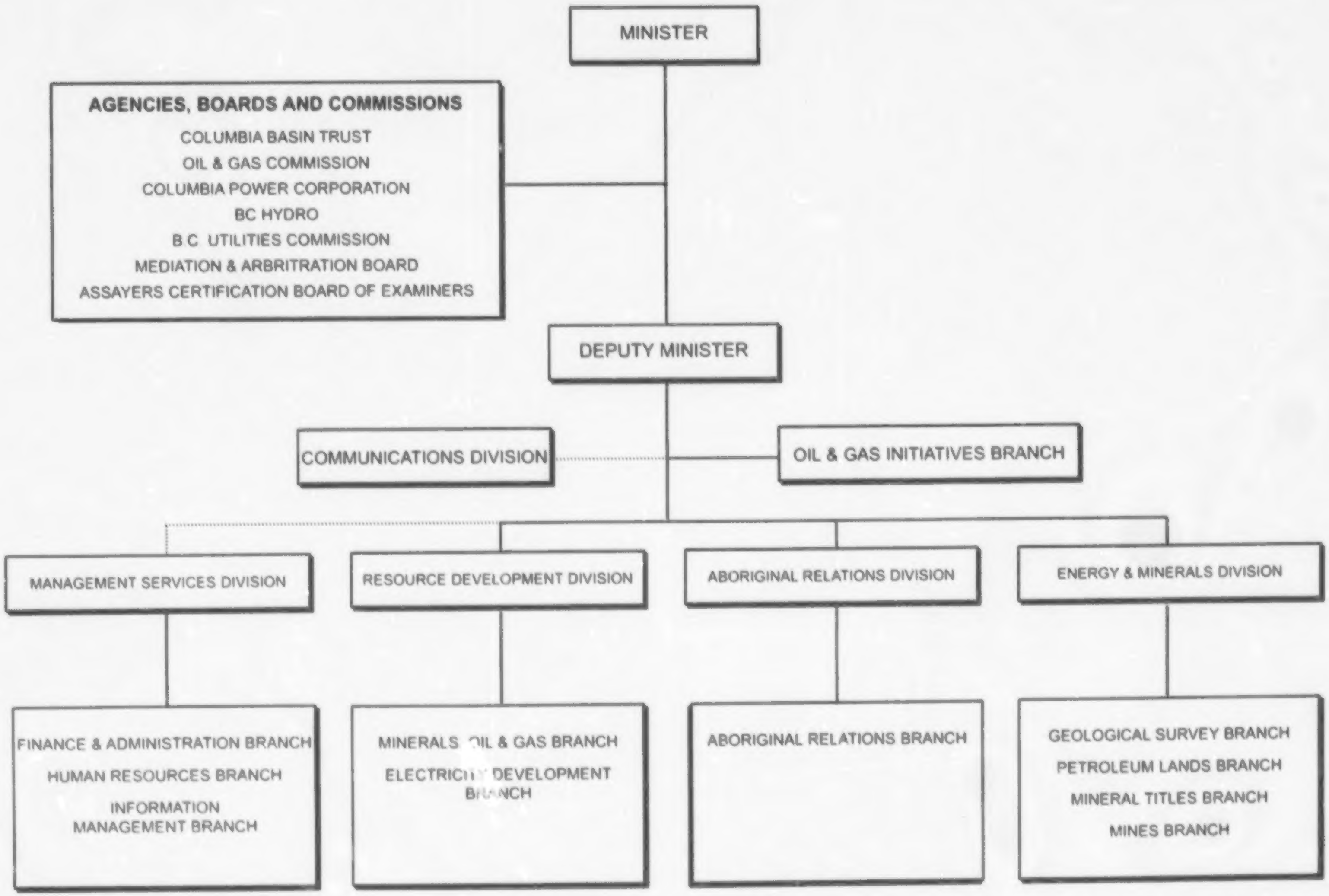
As a result of the Ministry of Energy and Mines three-year service plan released in February 2002, the ministry will shift from a prescriptive regulatory and administrative approach to a focus on fostering a more competitive business climate. The goal is to facilitate investment and responsible development of B.C.'s energy and mineral resources. Major shifts are:

- from a lack of certainty for investors to attracting investment in existing and new surface and subsurface energy opportunities;
- from a complex, multi-agency permitting process to a streamlined, single-window approach; and
- from process-based, prescriptive regulations to flexible, results-based regulations and performance-based compliance and enforcement models.

These shifts allow the ministry to contribute to a thriving private sector economy that generates high paying jobs for British Columbians and supports vital public services such as health care and education.

Major initiatives over the next three years will include implementing a new energy policy, streamlining permitting processes for both the oil and gas industry and the minerals sector, and completing the process of cutting red tape by a third.

MINISTRY OF ENERGY AND MINES*


MINISTER
AGENCIES, BOARDS AND COMMISSIONS
COLUMBIA BASIN TRUST
OIL & GAS COMMISSION
COLUMBIA POWER CORPORATION
BC HYDRO
B.C. UTILITIES COMMISSION
MEDIATION & ARBRITRATION BOARD
ASSAYERS CERTIFICATION BOARD OF EXAMINERS
DEPUTY MINISTER
COMMUNICATIONS DIVISION
OIL & GAS INITIATIVES BRANCH
MANAGEMENT SERVICES DIVISION
RESOURCE DEVELOPMENT DIVISION
ABORIGINAL RELATIONS DIVISION
ENERGY & MINERALS DIVISION
FINANCE & ADMINISTRATION BRANCH
HUMAN RESOURCES BRANCH
INFORMATION MANAGEMENT BRANCH
MINERALS OIL & GAS BRANCH
ELECTRICITY DEVELOPMENT BRANCH
ABORIGINAL RELATIONS BRANCH
GEOLOGICAL SURVEY BRANCH
PETROLEUM LANDS BRANCH
MINERAL TITLES BRANCH
MINES BRANCH

* This organization chart is reflective of fiscal year 2001/2002. As part of the Ministry of Energy and Mines three-year service plan, a new organization structure was announced on May 17, 2002.

Organizational Structure

Corporate Services

The Ministry of Competition, Science and Enterprise provides some executive support services including support for the deputy minister's office and communications division, as well as administrative support services for the ministry. Grants and contributions are also provided through corporate services in support of ministry initiatives.

Management Services Division

The division provides financial, personnel, information systems, records management, information and privacy and employment equity support.

Communications Division

The division develops and implements communications, media and public relations, and issues management plans for the ministry. As of mid-2001, the division reported directly to the Public Affairs Bureau of the Premier's office.

Oil and Gas Initiatives Branch

The branch promotes the growth and development of the oil and gas industry. Initiatives include facilitating investment, encouraging producers to use local service companies, overseeing a five-year public road rehabilitation program, developing a coalbed methane regulatory and fiscal regime and various other initiatives designed to maximize the return to the province and its people from the oil and gas industry. The branch also collects and disseminates statistics, analyzes and forecasts market conditions, and promotes and markets provincial resource potential.

Resource Development Division

Provides evaluation, strategic planning and policy development on the province's energy and mineral resources, including:

- assessing environmental, socio-economic and financial aspects of resource development and resource/land-use options;
- identifying and developing government policies and programs affecting the energy and mineral resource sectors; and
- administering First Nation revenue-sharing agreements and the Vancouver Island Natural Gas Pipeline Agreement. Government transfers are provided for the Vancouver Island Natural Gas Pipeline Agreement.

Energy and Minerals Division

The division's resource management branch maintains an inventory of mineral, coal and geothermal reserves and resources in B.C.; maintains databases, surveys and a library of industry assessment reports; conducts geological and geochemical surveys to identify areas and geological environments favourable for mineral discoveries; administers and disposes petroleum, natural gas and geothermal resource rights; maintains a title registry; collects fees, rentals and tender bonuses; administers title to provincial mineral and coal resources; negotiates fair compensation for mineral and coal titles expropriated under the *Park Act*; and provides grants and contributions for resource studies and projects.

Regulation, inspection and enforcement staff administer provincial legislation, regulations and guidelines related to exploration, production and reclamation activities of geothermal and mining industries to ensure safe operations, environmental responsibility and resource management.

Aboriginal Relations Division

The division supports revenue generation by promoting business relations between First Nations and the mining and oil and gas industries and by encouraging aboriginal participation in the industry; negotiates and implements protocols and memoranda of understanding with First Nations related to ministry responsibilities; supports negotiations between industry and First Nations for joint ventures, partnerships and other agreements; develops and implements employment and training initiatives; and develops ministry policy on First Nation consultation and participation in the oil and gas and mineral resource sectors.

Update on *New Era* Commitments

The following table identifies the government's priorities for which the ministry is responsible, and describes the current status of each priority.

New Era commitment	Achievements
Encourage mineral exploration. *Provide faster approvals and greater access to Crown land and resources, to protect and create jobs in mining.*	To stimulate investment in the mining industry, the ministry: • introduced a new 20 per-cent flow-through share tax credit for new mineral exploration in B.C. The tax credit is harmonized with the federal government's 15 per cent flow-through tax credit to provide tax savings and credits worth 63 per cent of share investments; • eliminated provincial sales tax on production machinery and equipment for the minerals industry; • began developing a number of legislative changes to the *Coal Act*, *Mineral Tenure Act* and *Mines Act*; • launched the consultation phase of the Map Selection Implementation Project aimed at enhancing mineral title administration; and • began developing guidelines for public/private partnership with industry to provide the geological data required to expedite the search for new minerals.
Provide faster approvals and greater access to Crown land and resources, to protect and create jobs in oil and gas production.	To stimulate investment in the oil and gas industry, including underdeveloped resources like coalbed methane, the ministry: • began developing legislative changes to the *Petroleum and Natural Gas Act* and the *Oil and Gas Commission Act*; • held coalbed methane information sessions with other provincial agencies, local governments, the public and First Nations; • introduced a new royalty regime specific to coalbed methane and extended the base 9 royalty designation for conventional and coalbed methane gas, which became effective on March 1, 2002; • eliminated provincial sales tax on production machinery and equipment for the oil and gas industry; and • established an Energy Geoscience section within the ministry and entered into a three-year partnership with the Geological Survey of Canada to study the oil and gas potential of interior basins.
Reduce the red tape and regulatory burden on B.C. business by one-third.	As part of the Province's deregulation initiative, the ministry: • identified 19,083 regulatory requirements in ministry legislation, regulations and policy and developed a strategy to eliminate one-third of these requirements; and • began developing legislative changes under the *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Mines Act*, *Oil and Gas Commission Act* and *Energy, Mineral and Petroleum Resources Act*.
Consider the Northern Development Commissioner's report on offshore oil and gas.	• The Northern Development Commissioner's report was submitted to government on July 5, 2001; government declined to adopt the recommendations of the report. • On July 10, 2001, the Premier announced that the Northern Caucus would consult with northern residents, communities and First Nations on a number of issues including the Commissioner's report.
Eliminate government subsidies to businesses that give some taxpayer-subsidized business an unfair advantage over their competitors.	The ministry eliminated: • Power for Jobs program; • Industrial Energy Efficiency program; and • Renewable Energy Technology program.

New Era commitment	Achievements
Restore consumers' right to Hydro rates that are independently set by the B.C. Utilities Commission, and not artificially inflated by government interference. *Restore an independent B.C. Utilities Commission, to re-regulate BC Hydro's electricity rates.* *Encourage job creation from viable, independent power production projects that will increase benefits to consumers through greater competition.* *Protect BC Hydro and all of its core assets, including dam, reservoirs and power lines under public ownership.* *Promote clean and renewable alternative energy sources like wind, thermal, solar, tidal biomass and fuel cell technologies.*	• In August 2001, the Province appointed a five-member Energy Policy Task Force to provide strategic issues for consideration in a new energy policy framework that will ensure a safe, reliable and diverse supply of energy for British Columbians. • The task force considered issues such as demand/supply balance for energy, outlook for energy infrastructure requirements for the next decade, accountability, competitiveness and environmental issues. Topics reviewed included oil and gas, electricity, coal, alternative and renewable energies and regulation. • The task force submitted an interim report on Nov. 30, 2001, which was publicly released. • The task force held more than 50 meetings with various stakeholders, including industry, communities and other stakeholders on its interim recommendations report. • The task force submitted a final report on March 15, 2002. • Government is reviewing the recommendations of the task force and expects to implement a comprehensive new energy policy in the coming months.

On June 25, 2001, the Premier assigned the Minister of Energy and Mines a number of key projects and priorities for the ministry. Some of these projects relate to *New Era* commitments noted above.

Government priority	Achievements to date
Develop an energy policy that balances the role our energy resources can play in the economic development of the province with the export and revenue opportunities that these resources represent. The policy addresses issues related to the regulatory environment and government stewardship.	• As described in the *New Era* achievements, the Province is developing a new energy policy according to these principles.
Examine opportunities to further improve efficiency of the Oil and Gas Commission.	• The ministry and OGC have reviewed OGC processes through the deregulation initiative and the Core Services Review process. A number of specific regulatory requirements were identified for elimination to strengthen governance, enhance single-window authorities, improve client and stakeholder services and streamline permitting and application review process.
Review the offshore oil and gas report prepared by the Northern Development Commissioner and make recommendations in conjunction with the Ministry of Water, Land and Air Protection and Ministry of Sustainable Resource Management.	• In addition to the Northern Caucus task force described in the *New Era* achievements, in September 2001, the Ministry of Energy and Mines contracted Jacques Whitford Environment Ltd., to undertake a review of current technology related to offshore oil and gas. The ministries of Sustainable Resource Management and Water, Land and Air Protection participated in the assessment of proposals and in the review of the draft report. In October 2001, the ministry publicly released this report that concluded that offshore exploration could occur without unacceptable risk to the environment. • Subsequently, the ministry appointed a three-member scientific review panel on Oct. 19, 2001, to determine if offshore oil and gas resources can be extracted in a scientifically sound and environmentally responsible manner. • Concurrently, the Northern Caucus task force began visiting northern communities to gather input on offshore oil and gas development from northern residents and community leaders. • Both the scientific review panel and task force submitted reports to government on Jan. 15, 2002. • In conjunction with the Ministry of Water, Air and Land Protection, the Ministry of Energy and Mines held briefing sessions with the other provincial agencies, federal government, industry, northern coastal communities and First Nations prior to publicly releasing the report on May 1, 2002. The ministry also provided $2 million to the University of Northern British Columbia for further scientific and technical research.
Funding for Power for Jobs has been frozen; review and make recommendations regarding reallocation of the funding.	• The Power for Jobs program has been eliminated.
Participate actively in supporting the success of the Ministry of Sustainable Resource Management.	• The ministry continues to work with MSRM in a variety of areas including strategic land-use planning, First Nations issues (interim measures, consultation processes, etc.), environmental assessment, land access issues and tenures. The deputy minister of Energy and Mines is also a member of the Deputy Ministers' Committee on Natural Resources and the Economy.

Performance Reporting

A performance measure can be used to indicate the degree of success a ministry has in achieving its goals and objectives.

The performance measures are integrated into this section, which looks at the business plan objectives in more detail and highlights the specific target and activities that were undertaken to achieve each objective.

Strategic Outcome: Revitalize the mineral industry

Objective #1 — To responsibly increase mineral exploration and development

Target for 2001/2002	Actual for 2001/2002
• Record exploration expenditures of $30 million.	• $32 million in exploration expenditures.
• Realize $300,000 in new revenue from industrial minerals.	• $781,000 in new revenue from industrial minerals in 2001.

Performance Summary

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
Mining strategy.	• Stimulate exploration and development.	• Exploration expenditures (target is $30 million).	• $32 million	• 7% increase
		• Number of claims in good standing.	• stable	• little change
		• Number of free miners certificates issued.	• 3,988	• 5% decrease
		• Number of metres of exploration drilling.	• 220,000	• 15% increase
	• Host the 2001 International Forum on the Geology of Industrial Minerals.	• Conference hosted.	• Successful conference.	• N/A
Improve regulatory and financial environment.	• Enhance mineral tax audit capacity.		• Responsibility transferred to the Ministry of Provincial Revenue, June 2001.	

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
Complete over 250,000 hectares of geological survey.	• Release at least 45 new reports.	• Release reports.	• Mapping completed and more than 50 new reports published.	• Exceeded the area to be mapped by 15% and the number of reports by 10%.
Enhance tenure administration.	• Enhance MapPlace.	• Coal licence and lease information added to MapPlace.	• Work has started on this project for high priority areas of the province.	• Project is on track.
		• Complete vectorization of Crown-granted mineral claims.	• All Crown-granted claims have been vectorized. Final verification is required.	• This is now a joint responsibility with the Ministry of Sustainable Resource Management. • Information will be imported into a map data set.
		• Produce feasibility report on map staking.	• Report produced and accepted.	• Consultation with users has commenced.
		• Produce 1,000 1:20,000 base maps (TRIM, Phase II).	• 1,517 1:20,000 base maps produced.	• This is now a responsibility of the Ministry of Sustainable Resource Management. • Exceeded target by 51%.
Improve the province's gravel supply inventory.	• Provide provincial response and implement Aggregate Advisory Panel recommendations.	• Response developed and recommendations implemented.	• Response pending.	• Target not achieved; however work continues.
	• Publish Best Management Practices Handbook.	• Publication of Handbook.	• Handbook published.	• Target achieved.

Strategic Outcome: Responsibly increase oil, gas and energy activity
Objective #2 — To responsibly develop new energy resources

Target for 2001/2002	Actual for 2001/2002
• Increase total energy revenues by $60 million.	• $1.3 billion in revenue.

Performance Summary

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
Begin reviewing a provincial energy policy.	• Establish an Energy Policy Task Force to provide strategic issues for consideration in a new energy policy framework.	• Task Force established. • Energy policy framework created.	• In August 2001, the Province appointed a five-member task force. • The task force submitted an interim recommendations report on Nov. 30, 2001, which was publicly released. • The task force held more than 50 meetings with various stakeholders, including industry, communities and other stakeholders on its interim recommendations report. • The task force submitted a final report on March 15, 2002.	• Government is reviewing the recommendations of the task force and expects to implement a comprehensive new energy policy in fiscal year 2002/03.
Assess the Northern Development Commissioner's report on offshore oil and gas.	• Assess Northern Development Commissioner's report.	• Receive report. • Respond to recommendations.	• Government declined to adopt the recommendations of the report and instead appointed members of the Northern Caucus to consult with coastal communities, including First Nations, on offshore oil and gas development.	• 100% completed.

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
	• Establish a scientific panel to further explore the potential for developing B.C.'s offshore oil and gas resources.	• Scientific panel established. • Respond to recommendations.	• Scientific panel report completed and delivered to Minister of Energy and Mines in January 2002. • Premier and federal Natural Resources Minister agreed to cooperate on offshore in March 2002.	• 100% completed.
Increase deep gas exploration.	• Develop deep gas exploratory incentive.	• Development of incentive.	• No action taken.	• Target not achieved, but will be pursued in fiscal 2002/03.
Develop coalbed methane.	• Realize at least one CBM pilot project.	• Number of pilot projects.	• Two pilot projects commenced; five other experimental schemes underway.	• Target achieved and surpassed.
	• Develop and implement a CBM fiscal and regulatory framework to facilitate CBM development.	• Regulatory and fiscal changes implemented. Regulatory changes created to eliminate onerous and inappropriate regulation for CBM development.	• Royalty regime for CBM developed and put in to regulation.	• Target achieved.
Improve regulatory and financial environment.	• Update and distribute Natural Gas Industry Competitiveness Study.	• Update study completed and distributed.	• Study update completed; results to be distributed.	• Target partially achieved. Study was distributed in late June 2002.
	• Convert all B.C. oil and gas rights to Crown reserve.	• Project completion date.	• Conversion to Crown reserve complete.	• 100% complete.
	• Implement low productivity reduction in gas royalties.	• Low productivity rate to be implemented in royalty regulation.	• Low productivity rates are now part of CBM royalty regime.	• Further work to be done to develop low productivity rates for gas other than CBM.

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
	• Reduce validation period to 10 months for oil royalties and nine months for gas royalties.		• Responsibility was transferred to the Ministry of Provincial Revenue in June 2001.	
	• Assess regulatory and economic measures affecting ethanol production.	• Fuel ethanol production.	• Guiding review of a proposal by the ministries of Finance and WLAP to extend the Motor Fuel Tax exemption to ethanol-blended diesel in addition to the current exemption for gasoline. • Worked with individual ethanol project proponents to identify regulatory and other barriers. • Monitored proposals for broad-based biofuel standards being developed in Canada and the United States.	• Review is underway; required data from industry to begin review. • Work continues. • Work continues.
Infrastructure plan.	• Implement a long-term management plan for Sierra Yoyo Desan Road.	• Plan in place.	• Two-year plan developed and long-term plan under development.	• Short-term target achieved. • Long-term plan requires completion of engineering studies currently underway.
	• Assess merits of provincial assistance for specified resource development roads.	• Business case for public expenditure developed.	• Data collected to evaluate value of roads.	• Business case yet to be developed.
Geological surveys.	• Complete studies in at least three areas of high oil and gas potential.	• Studies in new areas.	• Studies in Fernie and Flathead completed; Bowers/Nechako studies commenced.	• Target substantially achieved. Larger studies will be multi-year projects.

Strategic Outcome: Enhance B.C.'s position as a key player in global energy and mineral sectors

Objective #3 — To support growth of energy and mineral initiatives

Target for 2001/02	Actual for 2001/02
• Increase investment in B.C. energy and mineral exploration.	• $4.3 billion invested in energy sector in 2001, an increase of 23 per cent over the previous year. • $32 million invested in mineral exploration in 2001.

Performance Summary

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
Establish marketing and external relations branch.	• Develop and deliver marketing strategy for energy and mineral resource development.	• External Relations Branch established.	• External Relations Branch formally established in May 2002.	• Establishment of a formal External Relations Branch was 60 days later than planned, but an informal investment attraction and marketing team was in place by July 2001.
	• Implement approved strategies.	• Investment attraction and marketing strategy developed and implemented.	• Investment attraction and marketing strategy developed (July-August 2001) and first year of plan implemented. • Delivered ministry investment attraction component at five major mining and oil and gas trade shows. • Organized ministerial visits to over 30 priority investment prospects in Vancouver, Calgary, Toronto, Dallas and Houston (including minister's participation in the 2001 Team Canada Investment Mission).	• Number of trade shows participated in and priority investor visits by minister were in line with targets established in ministry investment attraction and marketing strategy.

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
Community relations.	• Publish socio-economic study on oil and gas industry in northeast B.C.	• Study completed.	• Study under development.	• Contributions made to regional group heading the study, which is moving forward.
Access to land and resources. *(This responsibility has been transferred to the Ministry of Sustainable Resource Management, but MEM continues to participate.)*	• Provide for energy and mineral access and development requirements in all land planning initiatives.	• Provisions for energy and mineral access and development in all land-use plans.	• Access and development provisions in most land-use plans.	• Good progress made; additional issues need to be resolved in ongoing planning process.
	• Develop and apply consistent valuation of energy and mineral resources to all land-use initiatives.	• Consistent valuation criteria developed and used.	• Valuation criteria under development.	• Good progress made; additional issues need to be resolved in ongoing planning process.
	• Enhance energy and mineral resource representation in planning initiatives.	• Energy and mineral sector representatives participate in planning initiatives.	• Mining sector representation increased.	• Target achieved.
Improve relations with First Nations.	• Implement Kaska Dena Interim Measures Agreement.	• Implement the Kaska Dena Interim Measures Agreement that includes a consultation process, training and economic development opportunities.	• Improved working relationships with the Kaska Dena. Increased First Nations participation in the oil, gas and mining economies.	• 100% completed.
	• Develop and hold information sessions with First Nations in areas with potential for CBM development.	• Number of First Nations met.	• Sessions held with representatives of 45 bands.	• Target achieved.

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
	• Sign revised MOUs with Treaty 8 First Nations.	• Sign revised agreements with Treaty 8 First Nations.	• Signed seven revised agreements. • Improved working relationship with Treaty 8 First Nations. • Increased economic certainty for First Nations, industry and government.	• Target achieved.
	• Develop a regulatory framework for consistent administration of subsurface resources included in treaty settlements.	• Develop a subsurface evaluation methodology or tool and process that complements existing regulatory frameworks.	• Recognized exceptional values of subsurface resources for treaty negotiations.	• Complex technology required for development — completion scheduled for early 2002/03.
	• Develop and deliver projects to increase opportunities for First Nations in subsurface resource development.	• Provide industry support in building relationships, joint ventures, and overall enhanced First Nations participation, including increasing First Nations participation at industry events, community information forums for CBM, and providing training and development opportunities, building business capacity and education.	• Increased First Nations participation in the oil and gas and mining sectors. • Enhanced provincial economy.	• Targets surpassed.

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
	• Complete each stage of the five-year archaeology study in northeast B.C.	• Development of an iterative, predictive model for archeological sites. • Annual report submission to project steering committee.	• Completed the first iteration of the model and second annual report.	• Target achieved.
Mining Rights Compensation Claims	• Negotiate 17 settlement awards for mineral claims that have been expropriated for parks creation.	• Number of claims settled.	• 15 claims settled.	• Target achieved; two claims require further negotiations.

Strategic Outcome: Ensure environmental integrity and the highest health and safety standards in energy and mineral resource development

Objective #4 — To maintain high environmental and health and safety standards

Targets for 2001/02	Actual for 2001/02
• Encourage voluntary efforts to improve industrial energy efficiency and as a result help manage greenhouse gas emissions from industry operations.	• All incentive programs have been eliminated.
• Establish one new gas processing plant utilizing acid-gas injection technology.	• Two acid-gas injection well applications were approved.
• Maintain an accident frequency of 2.5 or fewer incidents per 200,000 person hours worked.	• Actual accident frequency was 2.62 incidents per 200,000 person hours worked.

Performance Summary

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
Climate change.	• Achieve all targets in provincial Climate Change Action Plan.	• Energy carbon management strategy.	• Work ongoing with federal/provincial working groups to formulate policy frameworks. • $12,500 committed to geologic sequestration study undertaken by Canadian Energy Research Institute.	• The Ministry of Water, Land and Air Protection is leading the province in the National Climate Change Process and development of a provincial response to climate change.
		• Renewable energy initiative.		• Original funding approval rescinded.
		• Fuel ethanol production.	• $10,000 contribution to Ethanol BC.	
		• Industry energy efficiency audits and incentives.		• Original funding approval rescinded.
Gas emissions.	• Develop a regulatory and fiscal regime to encourage safe disposal of acid gas.	• Regimes developed.	• Acid gas disposal agreement drafted.	• Regulatory delay through the National Energy Board postponed the project and the agreement.

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
Mine health and safety.	• Complete site inspections at all major mines and 50% of small mines.	• Number of site inspections at all major and small mines.	• All 61 producing mines inspected (516 inspections), 50% of other mines were also inspected.	• Target achieved.
	• Complete site inspections at 50% of exploration sites.	• Number of inspections at exploration sites.	• 276 inspections at exploration sites, 287 new exploration sites.	• Target achieved.
	• Conduct at least 12 Health and Safety inspections at each major mine.	• Number of inspections at major mines.	• All major mines were inspected 12 times except two, which were inspected 11 times.	• Fording Coal and QR mines inspected 11 times.
	• Conduct training for at least three occupational health and safety committees.	• Number of occupational health and safety training course.	• Training was completed at 27 mines for OHSC and supervisors.	• Target achieved and surpassed.
	• Provide musculoskeletal disorder training for 10 mines.	• Number of mines with musculoskeletal training.	• 10 sessions for musculoskeletal training were held.	• Target achieved.
	• Organize and participate in mine rescue competitions.	• Mine rescue competition.	• Provincial Mine resource competition held in Campbell River. • Supported the South Central and Northern Zone competition and the East Kootenay Mine Industrial Safety Association competition. • Hosted the bi-annual Western Regional Mine Rescue competitions in Fernie in September 2001.	• Target achieved.
Mine reclamation and abandoned mines.	• Implement risk-based reclamation security guidelines.	• Preparation of informal guidelines.	• Security bonds established to reflect informal guidelines.	• Target achieved; formal guidelines to be completed.

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
	• Implement use of performance bonds as acceptable form of reclamation security.	• Performance bond policy developed and implemented.	• Performance bonds are being submitted.	• Target achieved.
	• Manage remediation programs at Britannia mine site.	• Acceptable discharge of mine drainage to Howe Sound by 2003/04.	• Remediation initiated, adit plug installed at 2200 level, remediation plan being developed.	• Remediation is on schedule.

Strategic Outcome: Attract and retain qualified staff

Objective #5 — To be a responsive, adaptable and accountable organization

Targets for 2001/02	Actual for 2001/02
• Complete succession planning for all branches. • Utilize technology to increase ministry efficiency. • Implement the new government Windows 2000 standard environment.	• Completed as required. • Completed. • Completed.

Performance Summary

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
Succession planning.	• Implement a succession planning process. • Implement ministry employee recognition initiative. • Offer flexible work environment to encourage retention.	• Succession planning met organizational requirements. • Completed employee recognition. • Implemented flexible work arrangements.	• Succession planning done as required in anticipation of imminent retirements. • Employee recognition completed case-by-case. • Flexible work arrangements were implemented where employee requests could be balanced with operational requirements.	• Completed.
Training.	• Ensure all staff receives training based on the organization's priorities. • Implement alternative dispute resolution training program for mediation and arbitration board members.	• Supply training plan to all employees. • Provide options for meeting identified training needs. • Link staff training and development to performance planning process.	• Completed as required.	• 100% of required training completed.

Actions/Strategies	2001/02 Performance Targets	Performance Measures	2001/02 Performance Outcomes	Variance
Update software.	• Upgrade and install software components and systems, and provide employee training for identified products.	• Upgrade and install 1,400 software components and 281 systems by August 2001. • Provide employee training for identified products.	• Completed July 31, 2001.	• 100% completed.
		• Project coordinated with Windows 2000 government project.	• Completed Oct. 15, 2001.	• 100% completed.
		• Develop and implement plans to deliver ministry programs and initiatives via Internet.	• Plans have been developed. • Several initiatives have been completed. • Work continues on new initiatives.	• 90% complete, work continues on one initiative.

2001/02 Resource Summary - *unaudited*

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Minister's Office	382		382	333	49
Corporate Services	11,182		11,182	11,996	(814)
Energy and Minerals	16,239		16,239	15,879	360
Resource Development	36,158		36,158	32,715	3,443
Total — Ministry Operations	63,961	0	63,961	60,923	3,038
B.C. Utilities Commission	1		1	0	1
Resource Revenue Sharing Agreements	2,500	3,200[1]	5,700	5,700	0
Special Account					
Vancouver Island Natural Gas Pipeline	1,001		1,001	281	720
Other					
Mines reclamation — *Mines Act* (s 17 (2))		20[1]	20	20	0
Total	**67,463**	**3,220**	**70,683**	**66,924**	**3,759**
Full-time Equivalents (FTEs)					
Total	**286**		**286**	**262**	**24**
Ministry Capital Expenditures ($000)					
Information Systems	460		460	362	98
Other	534		534	438	96
Total	**994**	**0**	**994**	**800**	**194**
Other Financing Transactions (Net Disbursements) ($000)					
Columbia Basin Accord	50,000		50,000	50,000	0

[1] Statutory Appropriation — Resource Revenue Sharing Agreement payments are made to First Nations to share revenue received from petroleum, natural gas and mineral extraction under federal/provincial agreement and agreements with First Nations.

Annual Report Appendices

Glossary of Ministry of Energy and Mines Terms

Acid gas	The hydrogen sulphide and/or carbon dioxide contained in or extracted from gas or other streams.
Base 9 royalty	Introduced in June 1998, the base 9 royalty is a minimum nine-per-cent royalty on new production from an oil and gas tenure acquired between June 1, 1998 and Dec. 31, 2001, that is drilled within five years of acquisition. Effective March 1, 2002, the base 9 royalty eligibility was extended by two years to Dec. 31, 2003, and the regulation was made retroactive to Jan. 1, 2002.
TRIM base map	Terrain Resource Inventory Mapping is the established standard for mapping used by the provincial government. The ministries of Water, Land and Air Protection, Forests and Transportation also use it. It integrates a wide range of accurate and timely resource management information and combines the mineral tenure layer with the most advanced and accurate base map available in the province. Map can also be linked to other resource management data, such as notices of work, statements of work, mineral potential, Crown land registry, forestry and aboriginal affairs.
Climate change	Climate change is a change in the "average weather" that a given region experiences. Average weather includes all the features associated with the weather such as temperature, wind patterns and precipitation. Climate change on a global scale refers to changes in the climate of the Earth as a whole.
Coalbed methane	Coalbed gas is formed by biochemical and physical processes during the conversion of plant material into coal. Methane constitutes the majority of gases created during the conversion process. It is similar to conventional natural gas, but is produced from low-pressure underground coal formations rather than from underground sandstone or carbonate rock formations. It is referred to as a "sweet gas" as it typically contains very few impurities such as hydrogen sulphide and carbon dioxide normally found in natural gas.
Deep gas	Gas that is extracted from deep beneath the surface.
Flow-through share tax credit	Allows individuals who invest in flow-through shares to claim a non-refundable tax credit equal to 20 per cent of their B.C. flow-through mining expenditures. Any unused credit at the end of a taxation year may be carried back three years or forward 10 years. B.C. flow-through mining expenditures are specific exploration expenses that are incurred after July 30, 2001, and before Jan. 1, 2004 and renounced by the corporation issuing the flow-through shares. This tax credit program is harmonized with the federal government's 15-per-cent flow-through tax credit to provide tax savings and credits worth 63 per cent of share investments.

Geoscience	The study of earth sciences, including geology, geochemistry, geophysics. At the Ministry of Energy and Mines, it includes geological mapping, resource evaluation, and economic geology as it relates to metallic minerals, industrial minerals, coal and energy products and oil and gas.
Geothermal resources	Geothermal resources include the earth's natural heat and all substances that get added value from it. This includes steam, water, water vapour, and all substances dissolved in the steam, water, or water vapour obtained from a well. It does not include water at less than 80 degrees centigrade at the surface or hydrocarbons.
Low productivity reduction	A reduction in royalty and freehold production tax rates for natural gas produced from low productivity wells. This reduction is intended to improve recoveries of natural gas reserves by extending the economically viable life of gas wells and some oil wells. Low productivity wells are well events with average raw gas production less than 5000 m3 per day during a month.
Map selection	A mineral titles initiative that will design and make available a fully computerized mineral titles staking system. Clients will select mineral claims via a computer interface on the Internet versus the old ground-staking system of locating claim posts by walking the boundaries of a proposed claim. Map Selection is expected to be fully implemented by April 2004.
MapPlace	A vector-based Internet geographic information system that allows clients to search, view and construct their own maps of British Columbia using Ministry of Energy and Mines geoscience databases, as well as information made available by other ministries.
Petroleum and Natural Gas Rights and Freehold Production Tax Regulation	This regulation was created under the authority of the *Petroleum and Natural Gas Act*. It defines the methods of calculating petroleum and natural gas production royalties and freehold production taxes, powers of the royalty administrator, reporting requirements, penalties, and the appeal process.
Reclamation	The act of returning the land and watercourses disturbed by mining to a productive use, equal to or better than the pre-mining condition.
Sour gas	Gas containing an appreciable quantity of hydrogen sulphide and/or mercaptans.
Succession planning	A plan for succession is a deliberate and systematic effort by an organization to ensure continuity in key positions and to encourage individual development. Planning for succession requires an assessment of an organization's key staffing requirements based on its long-term strategic and business goals. When these requirements are compared to an assessment of the organization's current employee base, the results should be a clear indication of the gap between current resources and future demands.

Performance bonds	A form of financial guarantee issued by an insurance company to guarantee the performance of a certain action such as reclamation. If a company does not complete its obligations, the insurance company can either arrange for the work to be completed or pay cash to government.
Sweet gas	Raw natural gas with a relatively low concentration of sulphur compounds, such as hydrogen sulfide.
Tight gas	Gas with very low flow rates that is found in sedimentary layers of rock that are cemented together so tight that it greatly hinders the extraction. Getting tight gas out usually requires enhanced technology like "hydraulic fracturing" where fluid is pumped into the ground to make it more permeable.
Vectorization	A new method for mineral resource mapping that makes mapping considerably more accurate and legible and allows greater flexibility for users.

Crowns, Agencies, Boards and Commissions reporting to Minister of Energy and Mines

Assayers Certification Board of Examiners	An independent board of examiners drawn from educators and industry to oversee the assayers certification program, which is authorized in the *Ministry of Energy, Mines and Petroleum Resources Act*. This ensures that assayers practicing in British Columbia meet the high standards of competency required by the mining and securities industries. Since the program was introduced, over 600 assayers have been certified. B.C. is the only mining jurisdiction in the world that requires assayers to pass a rigorous practical examination before being certified.
BC Hydro	A provincial Crown corporation that is regulated by the B.C. Utilities Commission. BC Hydro's mission is to provide integrated energy solutions to customers in an environmentally and socially responsible manner.
B.C. Utilities Commission	A regulatory agency operating under and administering the *Utilities Commission Act*. The Commission's mission is to ensure that ratepayers receive safe, reliable, and nondiscriminatory energy services at fair rates from the utilities it regulates, and that shareholders of those utilities are afforded a reasonable opportunity to earn a fair return on their invested capital.
Columbia Basin Trust	A regional corporation created in 1995 to work with residents of the Columbia Basin to promote social, economic and environmental well-being in the region most affected by the Columbia River Treaty.
Columbia Power Corporation	A Crown corporation wholly owned and controlled by the Province of British Columbia. Pursuant to the Columbia Basin Accord signed in 1995, the primary mandate of CPC is to undertake power project investments as the agent of the Province on a joint venture basis with the Columbia Basin Trust.
Mediation and Arbitration Board	Provide mediation and arbitration support if parties have difficulty reaching agreement for oil and gas activity that takes place on private land. The owner has surface title, while the Province retains the rights to subsurface minerals, including petroleum, natural gas that can be explored and developed. Companies that acquire rights to carry out this activity must compensate affected property owners.
Oil and Gas Commission	The provincial agency that regulates the crude oil, natural gas and pipeline activities in B.C. Its mandate is to provide efficient processes for the review of applications related to the oil and gas sector, ensuring that decisions are made in the public interest — having regard for environmental, economic and social impacts.

Legislation Administered by the Ministry of Energy and Mines

Coal Act
Columbia Basin Trust Act
Economic Development Electricity Rate Act
Energy Efficiency Act
Fort Nelson Indian Reserve Minerals Revenue Sharing Act
Gas Utility Act
Geothermal Resources Act
Hydro and Power Authority Act
Hydro and Power Authority Privatization Act
Hydro Power Measures Act
Indian Reserve Mineral Resource Act
Mineral Land Tax Act
Mineral Tax Act
Mineral Tenure Act
Mines Act
Mining Right of Way Act
Mining Rights Amendment Act
Ministry of Energy, Mines and Petroleum Resources Act (amended on May 9, 2002 to the *Ministry of Energy and Mines Act*)
Natural Gas Price Act
Oil and Gas Commission Act
Petroleum and Natural Gas (Vancouver Island Railway Lands) Act
Petroleum and Natural Gas Act
Pipeline Act
Power for Jobs Development Act
Utilities Commission Act
Vancouver Island Natural Gas Pipeline Act

Ministry of
Finance

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

**Ministry of
Finance**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Finance.
[Annual report (2002)]
Annual Report. — 2001/2002 -

Annual.
"A new era update".
Also available on the Internet.
Report year ends Mar. 31.
ISSN 1703-5031 = Annual report - British Columbia.
Ministry of Finance (2002)
Continues in part: British Columbia. Ministry of Finance and Corporate Relations. Annual performance report. ISSN 1499-0962.

1. Finance, Public - British Columbia - Periodicals.
2. Fiscal policy - British Columbia - Periodicals.
I. Title. II. Title: British Columbia. Ministry of Finance ... annual report.

J13.B8B74 352.4'09711'05 C2002-960161-4

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www.gov.bc.ca

Published by the Ministry of Finance
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Finance Annual Report was prepared under my direction and I am accountable for the results of the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Gary Collins

Gary Collins
Minister of Finance

July 11, 2002

BRITISH COLUMBIA

Ministry of Finance

Since my appointment as Minister of Finance on June 5, 2001, I have had the privilege of leading, with my colleagues in the ministry, the implementation of some of the government's most important *New Era* commitments for economic renewal. The ministry has played a pivotal role in building a new government culture — focusing on competitiveness, public accountability and, above all, sound fiscal management.

Shortly after my appointment as minister, the Premier wrote to all members of cabinet, stating that the government's first priority was "to turn this province around economically." On July 23rd, we received the report of the independent Fiscal Review Panel. It provided a baseline assessment of our fiscal situation, the conclusion was that the province had a structural deficit and had been operating in a fiscally unsustainable manner. The report called for fundamental change and — consistent with the government's plan — the ministry delivered.

For example, the Finance team developed and implemented a timetable for more than $2 billion in annual tax cuts to help make B.C. competitive again. We put in place new legislation making the Premier and cabinet ministers personally accountable for meeting ministry and government-wide fiscal targets. We also put in place a three-year plan to balance the budget beginning in 2004/05, and led the development of three-year, performance-based service plans for ministries and Crown corporations.

All of these improvements directly support our commitment to revitalize the economy, restore sound fiscal management and protect priority services such as health care and education. There is, however, much work yet to be done. In 2002/03, we will build on the progress reported here and move forward with a clear plan and clear, measurable performance targets. And we will continue to deliver on our vision of a *New Era* of hope and prosperity for all British Columbians.

Gary Collins

Gary Collins
Minister

Message from the Deputy Minister

The past year was marked by significant change and accomplishment as the government acted aggressively to implement its action plan to return British Columbia to its full economic potential. The ministry initiated a series of fundamental shifts which, together, represent a whole new way of doing business for the province.

We developed a clear plan to balance the budget, revitalize the economy and strengthen fiscal management. We worked to put the plan in place with a series of initiatives including: moving from a 12-month to a three-year planning window; integrating planning and budgeting; taking steps to modernize our regulatory structure; adopting a risk-based approach to management, focusing resources in those specific areas that represent the greatest potential risks or opportunities; and expanding our focus to the larger government entity that will be defined by the move to Generally Accepted Accounting Principles.

All these new directions are essential to the government's long-term strategy for responsible, accountable management of public resources — and none of our progress would be possible without the hard work, professionalism, skill and dedication of the Ministry of Finance team. Recognizing this, the executive team committed to ensuring that the ministry continues moving forward with a human-resource plan that emphasizes such things as employee satisfaction and learning opportunities.

It has been an honour and a pleasure to work with such talented colleagues in 2001/02. I look forward to our future achievements in 2002/03.

Paul Taylor
Deputy Minister

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Year-at-a-Glance Highlights 2001/2002

On May 25, 2001, the government appointed an independent Fiscal Review Panel to prepare a three-year forecast of the province's finances, based on the previous government's direction. The panel released its report two months later and concluded that:

- British Columbia had a structural fiscal imbalance that represented a serious threat to the province's financial health;
- government had been operating in an unsustainable manner; and
- fundamental change was required to achieve the new government's goal of a balanced budget.

From this baseline, ministry staff moved forward in 2001/02 with a series of actions and initiatives to make the province more competitive, improve accountability and restore sound fiscal management. Highlights in each of these areas are listed below.

Competitiveness

- Developed and implemented a timetable for more than $2 billion in annual tax cuts to encourage investment and innovation.
- Developed the *Registries Statutes Amendment Act* to increase electronic service delivery for businesses as part of the government's commitment to restore B.C. as a world leader in e-business.
- Developed (for introduction in 2002/03) the *Business Corporations Act* to increase flexibility for companies and make the province a more attractive place to do business.

Accountability

- Developed and enacted the *Balanced Budget and Ministerial Accountability Act* which requires balanced budgets as of fiscal 2004/05 and establishes a salary holdback for ministers and the Premier, paid out on the achievement of annual expenditure and performance targets.
- Developed and enacted the *Budget Transparency and Accountability Amendment Act* (BTAA) which:
  - establishes a fixed budget date;
  - requires the government to fully adopt Generally Accepted Accounting Principles by 2004/05;
  - enhances ministers' accountability;
  - eliminates the use of special warrants, except in two specific and very limited situations; and
  - requires government to table a three-year Strategic Plan and annual three-year service plans for ministries and government organizations with the provincial budget;
  - requires government to annually report on whether or not it is meeting its service plan objectives.
- Led the development of three-year, performance-based ministry service plans, as required under the BTAA.

Sound Fiscal Management

- Developed a three-year economic and fiscal plan to balance the budget by 2004/05 and create a strong, vibrant economy, in keeping with the government's *New Era* commitments.
- Developed a new Capital Asset Management Framework to ensure British Columbians have affordable infrastructure that meets their needs and helps make our economy competitive.
- Implemented a risk-based approach to management, so the ministry focuses resources and analysis on those activities presenting the greatest opportunities or posing the greatest risk to the government's fiscal and economic plan.

Ministry Role and Services

The Ministry of Finance plays a key role in establishing, implementing and reviewing government's economic, fiscal and taxation policies and initiatives. Its core business includes serving as the province's banker, accountant, risk and debt manager, capital project overseer, and registrar of corporate assets, personal property and manufactured homes. Through the Public Sector Employer's Council, which is chaired by the Minister of Finance, the ministry also helps to co-ordinate labour relations policies and practices across the public sector.

The ministry's clients include government ministries and agencies, boards and commissions, Crown corporations, businesses, investors and financial-sector agencies. Through its support of the government's *New Era* commitments, the ministry also broadly serves the people of British Columbia.

Vision

To be a responsive organization that is a model for leadership in promoting sound fiscal management and governance in an open and accountable public sector environment.

Mission

To develop a sustainable fiscal plan, to prudently manage government finances, and to create a sound policy and regulatory framework that supports the government's investment and economic development objectives.

Values

The Ministry of Finance is guided by the following values, which underpin its leadership philosophy:

Accountability. This means:

- we are accessible and responsive to our clients' needs
- we measure and report on our performance at all levels
- we recognize achievement and learn from our mistakes
- we support a risk-based management system that encourages competency and performance
- we focus resources and analysis on those activities that present the greatest opportunities or pose the greatest risk to the government's fiscal and economic plan

Innovation. This means:

- we explore new partnerships and ideas about how we do business
- we embrace technological change to capture new opportunities
- we make strategic investments in our people

Respect and Integrity. This means:

- we focus on our customers and clients
- we provide leadership and encourage teamwork
- we value diversity and differences of opinion
- we protect confidentiality of information

Trust and Honesty. This means:

- we keep our activities and outputs open and transparent
- we respond to feedback from the public and our clients
- we ensure clear and open communication

Core Services Review and Strategic Shifts

After completing a comprehensive Core Services Review, the ministry identified four essential strategic shifts to support its core business, and to support the government's fiscal and economic plan:

From	To
advising and treating all clients the same	focusing on major risks and opportunities
a "command and control" approach	one based on accountability and performance measurement of ministries, Crown corporations and agencies
a one-year planning horizon	a multi-year planning framework
a focus on ministries, Crown corporations and agencies	a focus on the larger government entity (including schools, health authorities and some post-secondary institutions)

All of these shifts support the government's commitment to sound fiscal management — and the *New Era* vision for a brighter future that is realistic, affordable and measurable.

Update on *New Era* Commitments

The Ministry of Finance has a leading role in many of the government's *New Era* commitments related to:

- revitalizing the economy,
- restoring sound fiscal management, and
- putting patients and students first.

The following section describes the ministry's progress in 2001/02 — in relation to the government's 90-day agenda, and in relation to other, longer-term *New Era* commitments.

90-Day Agenda Commitments

- **Introduce a dramatic cut in personal income taxes.**

On the new government's first full day in office, the Minister of Finance cut provincial personal income tax rates by an average of 25 per cent for all British Columbians. The largest cut (28 per cent) went to B.C.'s lowest income earners. As of Jan. 1, 2002, British Columbia had the lowest rate of personal income tax of any province in Canada on the first $60,000 of income, and the country's second-lowest top marginal tax rate. Notably, the government made these tax cuts while protecting funding for health care and education.

- **Pass *real* Balanced Budget legislation, to make balanced budgets mandatory by our (government's) third full budget and to hold all ministers individually accountable.**

The *Balanced Budget and Ministerial Accountability Act*, which was passed on Aug. 14, 2001, requires the government to balance its budget by 2004/05 and in each year thereafter. It also holds the Premier and cabinet members responsible — individually and collectively — for ensuring ministries live within their budgets and government meets its bottom-line commitments.

Consistent with the requirements of the new legislation, the government will withhold 20 per cent of the Premier's and cabinet ministers' ministerial salaries, effective April 1, 2002. Ministers will be able to earn back half of that amount by meeting their ministries' budgets and other targets. The balance of the holdback will be earned only if the government meets its annual budget target.

- **Pass *real* Truth in Budgeting legislation that ensures all provincial finances are fully, accurately and honestly reported under Generally Accepted Accounting Principles.**

Under the *Budget Transparency and Accountability Amendment Act*, which passed on Aug. 14, 2001, the government must fully adopt Generally Accepted Accounting Principles by fiscal 2004/05.

- **Establish a fixed date for the tabling of the provincial budget.**

The *Budget Transparency and Accountability Amendment Act* fixes the third Tuesday in February as budget day in B.C.

- **Conduct a comprehensive audit of the province's finances within 90 days and make the results public.**

An independent fiscal review panel delivered its report on the province's finances on July 23, 2001.

Other *New Era* Commitments

- **Honestly balance the budget, without cutting funding for health care or education.**

In its 2002 budget and three-year service plans, the government laid out a combination of specific spending reductions and realistic revenue forecasts to ensure a balanced budget in 2004/05. At the same time, the government protected the budgets for health and education. The health services budget was increased to $10.2 billion from $9.5 billion. The budget for education and advanced education also increased slightly.

- **Increase funding for the Auditor General's office, to help identify and prevent waste, and to increase value for money.**

The Auditor General's budget increased to $8.36 million for 2002/03 from $7.86 million the previous year.

- **Eliminate the use of special warrants, to prevent government from spending public money without prior legislative approval.**

Under the *Budget Transparency and Accountability Amendment Act*, the government can only use special warrants in the case of a natural disaster, or to guarantee the provision of public services for a brief period following a provincial election.

Special warrants had been used in the past to authorize spending in excess of annual budgets without prior approval from the legislature.

- **Establish service plans that include measurable performance standards and targets for all programs that are annually audited and published, for all taxpayers to see.**

Three-year service plans for all ministries and Crown corporations were released on Feb. 19, 2002, with the provincial budget. The first performance reports under the new framework will be made public in the summer of 2003.

- **Phase out taxes on investment and productivity to stimulate economic growth and job creation, in keeping with our commitment to balance the budget and protect health care and education funding.**

In July 2001, the finance minister introduced a range of business tax cuts designed to help rebuild a thriving economy. The corporation capital tax rate for general corporations was cut in half in Sept. 2001 will be eliminated on September 1, 2002.

The corporation income tax rate was reduced by three percentage points to 13.5 per cent in Jan. 2001. Production machinery and equipment purchases by eligible manufacturers and logging, mining and energy-sector businesses were exempted from provincial sales tax effective July 31, 2001. The province also introduced a 20 per cent flow-through share credit, modelled on a similar federal credit, to encourage mineral exploration in the province.

Also in July 2001, the passenger vehicle surtax threshold rose to $47,000 from $32,000. Other tax cuts applied to domestic jet fuel and bunker fuel used by cruise ships and other large cargo vessels.

The 2002 budget contained an additional tax break for small businesses: The threshold for the small business income tax was raised by 50 per cent to $300,000 on April 1, 2002.

- **Work with other provinces to negotiate a more equitable federal equalization program that is consistent with the Constitution.**

The federal government's revenues and surpluses are growing while provinces are struggling to fund rising costs. Recognizing this fiscal imbalance, provincial and territorial finance ministers are working together to educate the public and encourage the federal government to cover more of the increasing cost burden related to health care, education and other social programming.

- **Require Crown corporations to be directly accountable to a committee of the legislature for their financial management and budget plans.**

The Legislative Committee on Crown Corporations was established in fiscal 2001/02, with clear terms of reference and criteria for evaluating service plan and annual report performance.

- **Give school boards multi-year funding envelopes to improve long-term education planning and budgeting.**

School boards now have three-year funding envelopes.

- **Eliminate the PST on basic school supplies purchased by Parent Advisory Councils.**

This promise was fulfilled in Budget 2002.

Performance Reporting

The following section details the ministry's progress towards its goals and objectives in 2001/2002. Accomplishments are listed by division and linked to performance targets set in the previous fiscal year.

The ministry's goals and objectives are to:

- Balance the provincial budget, beginning in 2004/05.
- Increase accountability and performance in the management of capital infrastructure by encouraging public-private partnerships and alternative service delivery.
- Establish a competitive tax and business environment that encourages economic growth.
- Effectively manage public sector compensation.
- Support business development.
- Effectively manage cash and debt.
- Achieve efficiencies through technological advancements to streamline regulatory burden and financial management practices.
- Adopt a risk-based approach to managing government resources.
- Meet statutory reporting and budgeting requirements and comply with GAAP.
- Provide effective leadership and planning.
- Provide efficient financial and administrative services.

These goals and objectives are addressed in detail in the ministry's three-year service plan released on February 19, 2002 and will be the basis of performance reporting in 2002/03.

Ministry Performance by Division

The Ministry of Finance has four divisions:

- Provincial Treasury
- Office of the Comptroller General
- Treasury Board Staff
- Business Partnership Division

The Minister of Finance is also responsible for the work of the 15 member Public Sector Employers' Council.

Each division and agency is described below, along with its key accomplishments for 2001/2002.

Provincial Treasury and Registries

This division manages the borrowing, financing and cash-flow requirements for the Province of British Columbia. It works to reduce the financial risks faced by the government and government agencies, and provides consulting services and policy analysis for the financial and corporate sectors. It also facilitates the creation and registration of all business entities in the province. The division is made up of seven branches. These include:

- Corporate Operations Branch
- Financial and Corporate Sector Policy Branch
- Debt Management Branch
- Banking/Cash Management Branch
- Risk Management Branch
- Information Systems Branch
- Corporate and Personal Property Registries

Corporate Operations Branch

This branch provides support services to the division in the areas of: corporate policy, budget development and management, finance and administration, and planning.

Financial and Corporate Sector Policy Branch

This branch provides the government with policy analysis and advice to support the legislative frameworks governing:

- the regulation of credit unions, trust companies and insurance companies operating in British Columbia;
- the province's securities market;
- the retailing of real estate, insurance and mortgages in British Columbia;
- companies, societies, cooperatives, partnerships and condominiums;
- the use of personal property as collateral; and
- the imposition of liens on personal property.

The branch is also responsible for coordinating the ministry's non-budget legislation and its participation in the government's deregulation initiative, as well as coordinating appointments to the various agencies, boards and commissions that report to the Minister of Finance.

Debt Management Branch

This branch is responsible for ensuring that the borrowing needs of the B.C. government and its agencies are met. The branch is also responsible for delivering the lowest-cost financing from the capital markets, within acceptable risk levels. Business functions provided by the branch include strategy and risk management, debt financing, corporate and project finance, client and investor relations, legal and corporate affairs, debt settlement operations and reporting analysis.

Banking/Cash Management Branch

This branch delivers banking, electronic banking and cash management services to over 120 clients, including ministries, Crown corporations and government agencies. Business functions include banking operations, as well as supporting policy and contracts.

Risk Management Branch

This branch is responsible for developing and operating comprehensive risk management programs, designed to minimize the risks associated with B.C.'s public sector programs, operations and assets. Risk management includes risk transfer, risk financing, risk mitigation and claims/litigation management.

Information Systems Branch

This branch provides support services to the division in the area of information technology, including systems operations, application development and enhancements, and workplace technical support.

Corporate and Personal Property Registries

This arm of the ministry facilitates the creation and registration of all business entities, non-profit organizations and cooperatives in British Columbia. It maintains registries of security interests (liens) in personal property and of the ownership and location of manufactured homes in the province. It also provides for the operation of the Auditor Certification board under the Company Act. Registries' revenue comes from search and registration fees.

Achievement of Provincial Treasury and Registries Division performance targets set for 2001/2002

Target:

Investing short-term cash surpluses and minimizing short-term borrowing costs.

Progress:

- Investment of temporary surplus cash produced a return of $16 million during the year. Short-term borrowing costs were less than $195,000.

Target:

Minimize the cost of borrowing by identifying lowest-cost and minimum-risk financing opportunities in global markets.

Progress:

- Sixty-three per cent of the $4.6 billion borrowed was sourced from the international capital markets in either Canadian or U.S. dollars, resulting in annual interest savings of about $1.1 million. The balance of borrowing was sourced from traditional domestic public and private markets.
- Costs incurred in the management of the government's debt during the year were $62 million lower than the budget set for the branch in the government's July 30, 2001 Economic and Fiscal Update.

Target:

Develop, for program managers, risk assessment processes that are focused on results, identify high-risk areas and provide timely consulting advice and audit recommendations in those areas.

Progress:

- A government-wide decision framework, Enterprise-wide Risk Management (ERM), was developed. Policies were approved and work began to develop supporting guidelines. ERM will be rolled out to ministries and Crown corporations in 2002/03.

Target:

Provide assistance and guidance to public-sector clients, with respect to alternative financing arrangements, to support new methods of capital procurement (i.e., other than the traditional "borrow and buy" method).

Progress:

- Provided assistance and guidance on various alternative financing arrangements, including four non-recourse financings supported by external revenue sources. Financial advice was also provided on public-private partnership projects.

Target:

Develop policy and legislative frameworks that promote and reinforce a secure, efficient and competitive financial sector and fair, efficient and competitive corporate and commercial sectors.

Progress:

- Developed legislation to streamline the regulation of financial institutions, reducing restrictions on credit unions and insurance companies and broadening exemptions.
- Initiated review of the *Financial Institutions Act* and the *Credit Union Incorporation Act* with the goal of reducing regulatory burdens.
- Developed legislative amendments to several registry statutes (the *Company Act*, *Partnership Act* and the *Personal Property Security Act*) to support the further automation of the Corporate and Personal Property Registries, and to facilitate online document filing. These changes will result in a net reduction of regulatory requirements.
- Developed new *Business Corporations Act* for introduction in spring 2002.

Target:

Apply fraud and risk-control measures to government banking activities.

Progress:

- Completed an Internal Audit review of risk and control procedures.
- Applied fraud and risk control measures to government banking activities by reviewing and updating cheque stock and security measures, which limit the province's exposure to potential fraud.

Target:

Design and implement optimal processes and technology to streamline the processing of financial transactions.

Progress:

- Negotiated with financial institutions and implemented a number of electronic payment services — including PC/telephone banking and Internet credit card payments — to enhance revenue collection by various government bodies.
- Saved the province $6.7 million by increasing the use of purchasing card, corporate travel card and business travel account programs.

Target:

Utilize competitive purchasing processes to obtain banking services for our clients at the lowest possible cost.

Progress:

- Thanks to competitive purchasing processes, general banking fees paid by the province were 42 per cent of the median price of industry-surveyed fees for large corporate clients.

Target:

Convert the corporate registry from a document-based registry to an electronic registry to attain service, payment and administrative efficiencies.

Progress:

- In Jan. 2001, the corporate registry implemented the new Corporate Annual Report System (CARS), enabling companies to file their annual reports electronically. CARS will result in significant staff savings as the corporate registry shifts from paper-based to electronic operations.

Office of the Comptroller General

The OCG is responsible for defining and monitoring the government's financial management framework and preparing government's financial reports. It also provides the main financial system for government and ensures that government's assets and liabilities are managed in ways that appropriately mitigate risks to the government's fiscal and economic plan. In 2001/02, the OCG began revising the financial framework to incorporate modern comptrollership principles, such as risk management and an increased emphasis on outcomes, to help fulfill the government's *New Era* vision. The Office of the Comptroller General is made up of seven branches/offices. These include:

- Comptroller General/Corporate Operations Branch
- Corporate Financial Accounting Branch
- Internal Audit and Advisory Services Branch
- Financial Management Branch
- Accounting Policy, Research and Development Branch
- Payment Review Office
- Corporate Accounting Branch

Comptroller General/Corporate Operations Branch

This office provides overall direction and support to the division in the areas of: corporate policy; budget development and management; planning, finance and administration; activities related to the Select Standing Committee on Public Accounts; and research and analysis.

Corporate Financial Accounting Branch

This branch establishes accounting procedures and practices; develops accounting policies; monitors government's central accounts to ensure they are appropriately controlled and maintained, establishes and maintains the government's chart of accounts; prepares financial reports for government; and publishes the Public Accounts.

Internal Audit and Advisory Services Branch

This branch works to ensure that government's performance management, risk management and internal control frameworks are operating effectively. It uses a risk-based approach and provides management advisory services to ministries.

Financial Management Branch

This branch establishes the policy, procedure and legislation that guide financial management for government ministries and offices. The branch focuses on internal financial governance, supporting shared services and encouraging best practices.

Accounting Policy, Research and Development Branch

This branch works with ministries, Crown corporations and SUCH sector agencies (schools, universities, colleges and hospitals) to determine accounting solutions that support sound business decisions. It also analyzes public-private partnerships and other proposals from an accounting and financial perspective.

Payment Review Office

This office takes a risk-based approach to verifying policy compliance for government expenditure payments and recommends improvements, as needed, to policy, systems and training to help improve compliance. The office also provides legal encumbrance services such as garnishments for government as a whole.

Corporate Accounting Branch

This branch provides the main financial system for government ministries. It also implements corporate solutions for business processes and/or problems as defined by the OCG's governance function.

Achievement of Office of the Comptroller General performance targets set for 2001/2002

Target:

Cost savings/increased revenues as a result of internal audit recommendations and consulting services (Target: to cover costs of internal audit operations).

Progress:

- Internal Audit and Advisory Services adopted a risk-based approach to auditing. This approach produces recommendations which, when implemented, can result in average annual savings of approximately $20 million.

Target:

Full implementation of Generally Accepted Accounting Principles (GAAP) by April 1, 2004.

Progress:

- A work plan, detailing steps required to fully implement GAAP, was finalized in Feb. 2002.
- A new accounting advisory committee was established to support this work.

Target:

Deliver the public accounts by August 31 (legislative requirement).

Progress:

- The public accounts were released on July 23, 2001 — five weeks ahead of schedule.

Target:

- Revise management policy manuals and consolidate in electronic form.

Progress:

- A project plan was established in Dec. 2001 to reduce administrative policies and procedures by one-half to two-thirds. The projected completion date is Dec. 2002.

Target:

Establish a risk-based review of government programs and payments to minimize administration costs while preserving appropriate internal controls.

Progress:

- Internal Audit and Advisory Services has implemented a risk-based approach to auditing government organizations.
- The Payment Review Office was established in Nov. 2001 to implement a risk-based approach to verifying policy compliance for government expenditures and payments. The office performs post-payment reviews on all government travel expenditures and low-risk government payments. It also recommends improvements to policy, systems and training as needed.

Treasury Board Staff

Under the direction of Treasury Board and the Minister of Finance, TBS works with ministries, Crown corporations and agencies to prepare the province's budget and three-year fiscal plan. TBS monitors risks and opportunities throughout the year and recommends alternative fiscal management strategies to Treasury Board as needed.

TBS also monitors government's fiscal performance, produces quarterly reports and provides analysis and advice on the financial, economic, taxation and intergovernmental relations implications of issues presented to the Minister of Finance, Treasury Board and Cabinet, and to government caucus and cabinet committees. Treasury Board Staff is made up of six branches which include:

- Assistant Deputy Minister's Office/Operations Branch
- Estimates and Performance Planning Branch
- Fiscal and Economic Analysis Branch
- Intergovernmental Fiscal Relations Branch
- Performance Budgeting Office
- Tax Policy Branch
- The Capital Division which is also part of TBS is currently restructuring and will be moving to deliver services to the public as a company with an arm's length relationship to government. This company is known as Partnerships B.C.

Assistant Deputy Minister's Office/Operations Branch

This branch provides support to the division in the areas of corporate policy and executive direction, budget development and management, planning, finance and administration.

Estimates and Performance Planning Branch

This branch coordinates the annual budget process; prepares the main Estimates and Supplementary Estimates; and provides advice and recommendations to Treasury Board on Consolidated Revenue Fund capital projects and FTEs. The branch also updates accounting and reporting policies for government's financial reports in conjunction with the Office of the Comptroller General; develops guidelines for the preparation of ministry service plans and reports; and coordinates cross-government activities to support performance planning and accountability under the *Budget Transparency and Accountability Act*.

Fiscal and Economic Analysis Branch

This branch supports provincial budget development and management by analyzing and advising on economic trends, and by developing forecasts of the provincial economy, government revenues, expenditures and debt for ministries, Crown corporations and agencies.

The branch also provides public reports on the provincial economic and fiscal performance and outlook, including the Budget Reports document, Quarterly Reports, the Financial and Economic Review and the Economic Review and Outlook.

Intergovernmental Fiscal Relations Branch

This branch provides analysis and advice regarding federal-provincial fiscal relations, the fiscal situation of the federal government and the other provinces, and selected policy areas involving intergovernmental financing and/or governance, such as the Canada Pension Plan.

Performance Budgeting Office

The branch provides advice, analysis and support to the Minister of Finance, Treasury Board, Government Caucus Committees and Cabinet. The branch focuses on ministry budgets, Estimates and forecasts, and works with those entities to identify and manage significant risks and opportunities to the government's three year Fiscal Plan.

Tax Policy Branch

This branch provides tax policy analysis and advice to the minister and Treasury Board. It supports the implementation of government tax policy through legislation and regulation. It also provides support to coordinate tax policy with other levels of government, and to negotiate the fiscal aspects of treaties with First Nations.

Capital Division

This branch makes recommendations to Treasury Board and Cabinet on preparing and delivering the province's annual capital plan, which includes spending on physical structures at universities, colleges, schools, hospitals, courts and correction facilities, as well as capital projects led by taxpayer-supported Crown corporations and agencies. The Capital Division is undertaking a significant restructuring as part of the new focus in delivering capital needs in a more timely and cost effective manner.

Achievement of Performance Targets for Treasury Board Staff set for 2001/2002

Target:

Develop policy and legislative frameworks that promote and reinforce a financial and business management framework that supports sound decision making at the governance, management and operating levels.

Progress:

- Drafted the *Balanced Budget and Ministerial Accountability Act* which:
  - requires a balanced budget by 2004/05 and every year thereafter; and
  - imposes salary holdbacks on ministers and the Premier — repayable only if ministry and government-wide fiscal targets are achieved. (In the case of ministers of state, the holdback is tied to performance targets.)

Target:

Work with clients and other central agencies to develop incentives that encourage and promote managing for results.

Progress:

- Worked with ministries and Crown corporations to develop three-year service plans that include clear performance measures.
- Required ministers to sign accountability statements for service plans.

Target:

Review the *Budget Transparency and Accountability Act (BTAA)* to evaluate whether changes are required.

Progress:

- Reviewed the legislation and drafted the *Budget Transparency and Accountability Amendment Act, 2001* which:
  - — requires full adoption of Generally Accepted Accounting Principles by 2004/05;
  - — establishes fixed budget dates;
  - — requires ministers to sign accountability statements for service plans; and
  - — severely curtails the use of special warrants.

Target:

Monitor and report to the Minister of Finance on forecasts for provincial revenues, ministry spending, capital spending, borrowing, economic trends in B.C. and its major trading partners, and Crown corporations' strategic initiatives, plans and budgets.

Progress:

- Provided regular reports to the minister and secretary to Treasury Board on the state of B.C.'s economy, government's financial status, and the current fiscal outlook.
- Provided briefings to Treasury Board on the economic and fiscal outlook, forecast risks and related planning scenarios.

Target:

Establish a competitive tax and business environment that encourages economic growth

Progress:

- Tax cuts fully implemented in Jan. 2002 provided the lowest rates of provincial personal income tax in Canada on the first $60,000 of income.
- As of Jan. 2002, B.C. also had the second-lowest top personal marginal income tax rate in the country.
- A series of business tax cuts during the fiscal year further improved B.C.'s competitive position. The cuts included a reduction in the general corporate income tax rate, the phase-out of the corporation capital tax for general corporations and a provincial sales-tax exemption for production machinery and equipment.

Target:

Develop a comprehensive approval framework that focuses on the outcome of expenditures.

Progress:

- TBS supported the development of three-year service plans for all provincial ministries, including performance measures describing what will be accomplished within approved resources.
- Treasury Board also revised approval thresholds to give ministries, Crown corporations and agencies greater flexibility in meeting their service plan targets.

Target:

Implement multi-year budgeting by providing planning targets consistent with the three-year strategic plan objectives and fiscal targets, and by incorporating a three-year time horizon into ministry budget submissions, Treasury Board Staff budget briefing material and related decision-making processes.

Progress:

- Service plans released by all ministries and major Crown corporations on Feb. 19, 2002 included three-year budget targets and objectives, consistent with the government's strategic plan.

Target:

Release revised fiscal forecasts with each quarterly report and meet dates set in the *Budget Transparency and Accountability Act* for the release of quarterly reports.

Progress:

- Released quarterly reports on Sept. 13, Nov. 22 and Feb. 19 — all within *BTAA* requirements, and all including revised fiscal forecasts, supported by details of updated assumptions.
- Prepared the Budget Consultation Paper required by the *BTAA*, in support of the Select Standing Committee on Finance and Government Services.

Target:

Complete and communicate a comprehensive framework for capital policy, which will apply across all ministries, Crown corporations and agencies and that includes clear standards for reporting and monitoring of expenditures.

Progress:

- A new, comprehensive Capital Asset Management Framework was developed during the year for release in early 2002/03. The framework included clear standards for monitoring and reporting expenditures.

Target:

Develop a work plan and implement the recommendations contained in the Deloitte Consulting report, "Capital Management Process Review for the Government of British Columbia."

Progress:

- The new Capital Asset Management Framework has been developed and publicly released and addresses the Deloitte Report's key recommendations.

This report can be viewed online at: http://www.fin.gov.bc.ca/tbs/camf_guidelines.pdf.

Business Partnerships Division (BPD)

This division reviews and evaluates major government assets and related operations to help government achieve its public policy objectives, improve service delivery and make government operations more efficient. Its reviews and evaluations determine whether business models such as public-private partnerships (P3s) and alternative service delivery models (ASDs) would better meet these objectives.

Implementing ASDs is a key focus for the division. This involves addressing public policy issues, working with stakeholders, preparing a marketing strategy, negotiating new business partnerships where applicable, creating new business structures and overseeing transitions.

No specific performance targets were set for the division in 2001/02.

Accomplishments included:

- identifying and initiating several business restructuring projects to achieve cost efficiencies, debt reduction and higher asset values for Crown agencies;
- initiating work with several ministries on the feasibility of ASD solutions; and
- initiating feasibility assessments for a number of public-private partnerships.

Public Sector Employers' Council (PSEC)

PSEC coordinates labour relations policies and practices to foster an effective, efficient public sector. Chaired by the Minister of Finance, the council includes eight ministers or deputy ministers, the Commissioner of the Public Service, and one representative from each of the six public sector employers' associations.

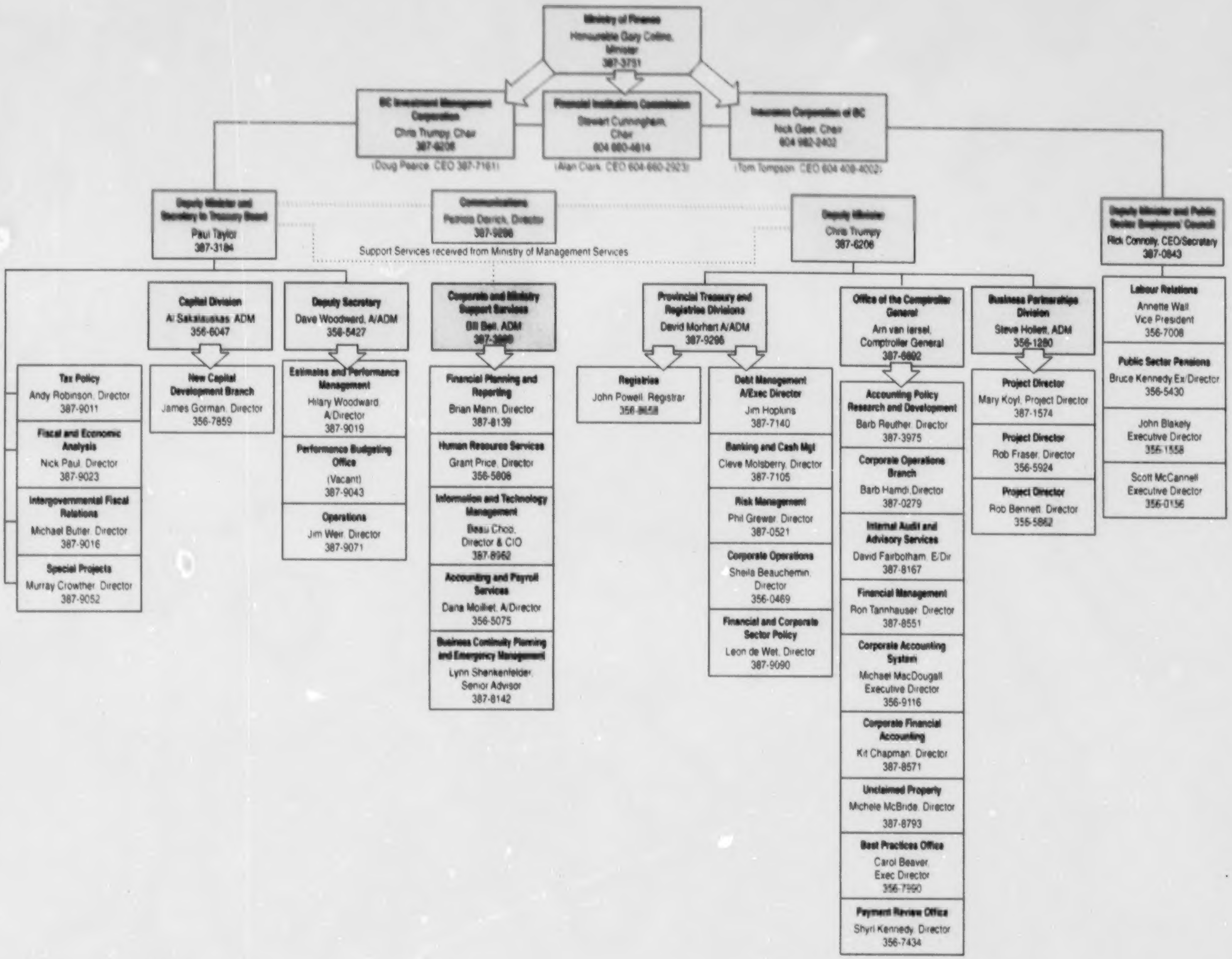
The Council is supported by the PSEC Secretariat which ensures effective working relationships with key partners such as Treasury Board Staff, line ministries and other public sector employers.

No specific performance targets were set for PSEC in 2001/02.

Accomplishments in 2001/02 included:

- developing and implementing a strategy to renew expiring public sector labour contracts;
- reviewing PSEC's structure and initiating a streamlining process that reduced the agency's operating budget by 38 per cent;
- designing a database to support effective management of public sector compensation; and
- through the PSEC Secretariat, developing and implementing public sector bargaining mandates that reflect fiscal and public policy considerations, and forward-looking strategies to address evolving labour market conditions.

Ministry of Finance Organization Chart


Ministry of Finance
Honourable Gary Collins, Minister
387-3751
BC Investment Management Corporation
Chris Trumpy, Chair
387-6206
(Doug Pearce, CEO 387-7161)
Financial Institutions Commission
Stewart Cunningham, Chair
604 660-4814
(Alan Clark, CEO 604 660-2923)
Insurance Corporation of BC
Nick Geer, Chair
604 982-2402
(Tom Tompson, CEO 604 408-4002)
Deputy Minister and Secretary to Treasury Board
Paul Taylor
387-3184
Communications
Patricia Dietrich, Director
387-9296
Support Services received from Ministry of Management Services
Deputy Minister
Chris Trumpy
387-6206
Deputy Minister and Public Sector Employers' Council
Rick Connolly, CEO/Secretary
387-0843
Tax Policy
Andy Robinson, Director
387-9011
Fiscal and Economic Analysis
Nick Paul, Director
387-9023
Intergovernmental Fiscal Relations
Michael Butler, Director
387-9016
Special Projects
Murray Crowther, Director
387-9052
Capital Division
Al Sakalauskas, ADM
356-6047
New Capital Development Branch
James Gorman, Director
356-7859
Deputy Secretary
Dave Woodward, A/ADM
356-5427
Estimates and Performance Management
Hilary Woodward, A/Director
387-9019
Performance Budgeting Office
(Vacant)
387-9043
Operations
Jim Weir, Director
387-9071
Corporate and Ministry Support Services
Bill Bell, ADM
387-3[illegible]
Financial Planning and Reporting
Brian Mann, Director
387-8139
Human Resource Services
Grant Price, Director
356-5806
Information and Technology Management
Beau Choo, Director & CIO
387-8962
Accounting and Payroll Services
Dana Moillet, A/Director
356-5075
Business Continuity Planning and Emergency Management
Lynn Shenkenfelder, Senior Advisor
387-8142
Provincial Treasury and Registries Divisions
David Morhart A/ADM
387-9296
Registries
John Powell, Registrar
356-8658
Debt Management A/Exec Director
Jim Hopkins
387-7140
Banking and Cash Mgt
Cleve Moisberry, Director
387-7105
Risk Management
Phil Grewar, Director
387-0521
Corporate Operations
Sheila Beauchemin, Director
356-0469
Financial and Corporate Sector Policy
Leon de Wet, Director
387-9090
Office of the Comptroller General
Arn van Iersel, Comptroller General
387-6692
Accounting Policy Research and Development
Barb Reuther, Director
387-3975
Corporate Operations Branch
Barb Hamdi, Director
387-0279
Internal Audit and Advisory Services
David Fairbotham, E/Dir
387-8167
Financial Management
Ron Tannhauser, Director
387-8551
Corporate Accounting System
Michael MacDougall, Executive Director
356-9116
Corporate Financial Accounting
Kit Chapman, Director
387-8571
Unclaimed Property
Michele McBride, Director
387-8793
Best Practices Office
Carol Beaver, Exec Director
356-7990
Payment Review Office
Shyri Kennedy, Director
356-7434
Business Partnerships Division
Steve Hollett, ADM
356-1280
Project Director
Mary Koyl, Project Director
387-1574
Project Director
Rob Fraser, Director
356-5924
Project Director
Rob Bennett, Director
356-5862
Labour Relations
Annette Wall, Vice President
356-7008
Public Sector Pensions
Bruce Kennedy, Ex/Director
356-5430
John Blakely, Executive Director
356-1558
Scott McCannell, Executive Director
356-0156

2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Vote 28					
Minister's Office	355		355	343	12
Corporate Services	3,916		3,916	4,119	(203)
Treasury Board Staff	12,294		12,294	11,048	1,246
Office of the Comptroller General	21,848		21,848	20,287	1,561
Financial Institutions Commission	1		1	—	1
Provincial Treasury Operations	1		1	—	1
Total Vote 28	**38,415**	**—**	**38,415**	**35,797**	**2,618**
Vote 29 Registries	**8,407**		**8,407**	**8,335**	**72**
Vote 50 Contingencies (All Ministries) and New Programs		**28**	**28**	**28**	**—**
Vote 55 PSEC	**3,054**	**—**	**3,054**	**1,816**	**1,238**
Special Account — IRMA	**13,249**	**539**	**13,788**	**13,788**	**—**
Special Account — UPO	**1,075**	**23,551**	**24,626**	**24,626**	**—**
Full-time Equivalents (FTEs)					
Total Vote 28	**509**	**—**	**509**	**457**	**52**
Vote 29 Registries	**118**	**—**	**118**	**102**	**16**
Vote 55 PSEC	**18**	**—**	**18**	**16**	**2**
Special Accounts					
IRMA	**22**	**—**	**22**	**20**	**2**
UPO	**4**	**—**	**4**	**5**	**(1)**

[illegible]	Estimated	Other Authorizations	Total	Actual	Variance
Ministry Capital (Expenditures) ($000)					
Information Systems	10,144	—	10,144	6,680	3,464
Other	357	—	357	73	284
Total Vote 28	10,501	—	10,501	6,753	3,748
Information Systems	500	—	500	101	399
Other	21	—	21	13	8
Vote 29 Registries	521	—	521	114	407
Information Systems	20,000		20,000	9,409	10,591
Other	—		—	—	—
Vote 50 Contingencies (All Ministries) and New Programs	20,000	—	20,000	9,409	10,591
Information Systems	91		91	55	36
Other	3		3	—	3
Vote 55 PSEC	94	—	94	55	39
Information Systems	423	—	423	183	240
Other	25		25	17	8
Special Account — IRMA	448		448	200	248
Information Systems	50		50	6	44
Other			—		—
Special Account — UPO	50	—	50	6	44

Ministry of
Forests

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

**Ministry of
Forests**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Forests.
Annual Report. — 2001/2002-

Annual.
Report year ends Mar. 31.
Continues: British Columbia. Ministry of Forests. Annual performance report, Ministry of Forests, for the fiscal year ended . . . , ISSN 1499-0903.
ISSN 1703-3918 = Annual Report - British Columbia. Ministry of Forests

1. British Columbia. Ministry of Forests - Periodicals. 2. Forest policy - British Columbia - Periodicals. 3. Forests and forestry - British Columbia - Periodicals. I. Title.

SD14.B7B74 354.5'5'0971105 C2002-960133-9

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Published by the Ministry of Forests
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The *2001/02 Ministry of Forests Annual Report* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the report has been prepared. The report was developed in the context of the government's *New Era* commitments, which are to be addressed by May 17, 2005. All material fiscal assumptions and policy decisions as of March 31, 2002 have been considered in preparing the report, and I am accountable for the results contained in it.

Honourable Michael de Jong
Minister of Forests

June 10, 2002

BRITISH
COLUMBIA

Ministry of Forests

This annual report outlines the achievements of the Ministry of Forests, measured against its performance targets for the 2001/02 year. The Ministry achieved its broad targets even though 2001/02 was a difficult year for the forest sector in general.

The sector's challenges were due in part to economic factors beyond our control — the softwood lumber duties imposed by the United States, the slowdown in the international economy, the ongoing economic problems in Japan, and the significant decline in the prices for pulp and paper products.

But at the same time, we know British Columbia's forest policy framework does not support a leading-edge forest industry that is globally recognized for its productivity and environmental stewardship. B.C. has forest policies today that, among other things, maintain uneconomic operations and excess capacity, constrain the highest value use for timber and create an excessive regulatory burden.

Our government came to office determined to make the major policy shifts that would allow a competitive, market-driven forest sector to thrive. We recognize that some of the changes we are proposing will be painful and disruptive in the short term but we will not ignore reality: change is needed, and it is needed urgently.

What will not change is our commitment to the highest of environmental standards. We can, and we will, achieve our goals and protect the unique diversity of our forests and the wide array of forest values.

In 2001/02, we established the solid foundation for many of the policy and regulatory changes needed. We asked Dr. Peter Pearse to examine the current economic state and future viability of the coastal forest industry and completed the policy work needed to prepare a public discussion paper for a results-based Forest Practices Code.

We also moved quickly to respond to the serious mountain pine beetle action infestation and replaced Forest Renewal BC with the Forest Investment Account, which will strengthen forest management, research, product development and international marketing.

British Columbia has some of the richest forest resources in the world, we have talented and capable workers, entrepreneurial businesses and forward-looking community leaders. As we move into 2002/03, we must continue to work together to meet the challenge of realizing the diverse potential of this vital and valuable asset for the benefit of all British Columbians.

Honourable Michael de Jong
Minister of Forests

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Year-at-a-Glance Highlights

This section summarizes the significant events and achievements in the ministry during 2001/02. The events and achievements categorized below by ministry goal indicate how well the ministry has achieved the key aspects of its business.

Environmental Scan

Uncertainty and rapid change were features of the global environment within which the British Columbia forest sector operated in 2001/02. Competitiveness issues dominated the forest policy agenda during the fiscal year. Two aspects of competitiveness were key themes: U.S. market access, and new B.C. government policy direction.

In 2001, B.C. forest product exports totalled $14.5 billion and accounted for 46 per cent of total provincial exports and 8 per cent of world exports of forest products. Generally, prices were down in 2001; only newsprint prices rose this year.

B.C. harvest levels, as measured by timber scale billed, were down somewhat in 2001, and employment levels in all sub-sectors of the industry dropped in 2001.

Total British Columbia forest exports dropped from $16.3 billion in 2000 to $14.5 billion in 2001.

Quick Facts

Average U.S. West Coast price of standard newsprint

2001/02:	US$588/tonne
2000/01:	US$565/tonne

Quick Facts

Total B.C. forest industry exports

2001/02:	$14.5 billion
2000/01:	$16.3 billion

GOAL 1 Healthy Forests

The ministry substantially achieved, achieved or over-achieved all of its objectives under its first goal during 2001/02. Performance highlights include:

- completion of effectiveness evaluations of forest practices legislation, addressing wildlife tree retention, range use and silviculture practices,
- 94 per cent compliance with statutory forest practices obligations for industry and government combined. This level of compliance is based on inspection of 89 per cent of high-priority sites,
- 79 per cent of allowable annual cuts (AACs) for all timber supply areas (TSAs) and tree farm licences (TFLs) determined within their five-year deadline, 28 AACs for TSAs and TFLs reviewed, and six reviews initiated as part of the third round of the Timber Supply Review program, and
- development of site productivity and growth and yield tools and prediction models, scientific support for sustainable forest management initiatives and industry certification to improve market access, and analyses of greenhouse gas emissions and carbon credits as part of climate change studies linked to the Kyoto Protocol.

GOAL 2 A Strong Forest Economy

The province's forest sector faced significant internal and external challenges during this fiscal year (as outlined in the "Environment Scan" section, above). Overall, the forest sector was not strong because of uncertainties about access to international markets and constraints associated with the current provincial forest policy framework. During 2001/02, the ministry focused on initiating policy and legislative changes that will, over time, assist the forest sector in becoming more effective.

The ministry substantially achieved, achieved or over-achieved most of its objectives under its second goal during 2001/02. Performance highlights include:

- 17 per cent share of softwood lumber consumption in the U.S. by B.C. exporters — a slight increase, despite the softwood lumber negotiations and the uncertainty created by the U.S. countervailing and anti-dumping duty investigations — and 46 per cent of softwood lumber imports into Japan,
- assessment of the major bark beetle infestation and temporary increases in the Quesnel and Burns Lake AACs for salvage logging of infested timber, aerial-surveying of 93 per cent of Crown forest and establishment of a baseline of 53 per cent of high-priority bark beetle infestation sites as receiving treatments,
- 93 per cent treatment of identified critical invasive alien plant infestation sites,
- containing 93 per cent of all unwanted fires at less than 4 hectares (ha), and keeping the area burned by unwanted wildfires to an average of 17,096 ha, below the 1997-to-2001 average of 22,760,
- 80 per cent of Forest Service Roads maintained to Forest Practices Code standards, and 91 per cent of all Forest Service road bridges at full-load capacity,
- volume gain of 327,900 cubic metres (m^3) of timber per year expected to be available for harvest in approximately 65 years from all ministry reforestation activities, and volume gain of 1.847 million m^3 of timber per year expected to be available for harvest in approximately 65 years from all tree improvement activities,
- 96 per cent of TSA AACs under a form of tenure (excluding Small Business Forest Enterprise Program tenures), and 89 per cent of animal unit months (AUMs) of forage allocated,
- administration of 1,742 grazing licences and permits and 100 hay-cutting licences and permits, representing approximately 940,000 AUMs of forage, and
- $195.5 million gross revenue under the Small Business Forest Enterprise Program (SBFEP), with a total volume sold of 8.960 million m^3, 9.960 million m^3 harvest volume, and 30.7 million seedlings planted.

Quick Facts
Wildfires

2001/02:	1,267
2000/01:	1,538

Quick Facts
Actual area (hectares) burned by wildfires in B.C.

2001/02:	9,763
2000/01:	16,407

GOAL 3 All British Columbians Benefit from the Sustainable Use of Their Forests

The ministry substantially achieved, achieved or over-achieved all of its objectives under its third goal during 2001/02. Performance highlights include:

- 1,139 campgrounds managed: 90 per cent maintained to at least a basic level, including 32 sites managed to an enhanced level,
- involvement in 217 formal treaty negotiations or other co-operative processes underway with First Nations in the province, and
- forest revenue of $1.164 billion for the year.

Quick Facts
Ministry of Forests Revenues

2001/02:	$1.2 billion
2000/01:	$1.3 billion

Expenditures

2001/02:	$498.4 million
2000/01:	$556.2 million

GOAL 4 Be an Effective Sustainable Forest Manager

The ministry substantially achieved, achieved or over-achieved five of seven of its performance measures under its third goal during 2001/02. Performance highlights include:

- usage of the Short-Term Illness and Injury Program at 36 per cent below the public service average (PSA), exceeding the target of 25 per cent below the PSA,
- continued integration of a performance management framework, with 93 per cent of corporate performance measure targets in the ministry substantially achieved or achieved,
- 12 business process improvement projects successfully implemented, and
- 1.8 million ministry web site visits during 2001/02.

Ministry Role and Services

Vision, Mission, Values and Ethics

Since its establishment in 1912 as the Forests Branch, the B.C. Ministry of Forests (also known as the Forest Service) has continued to provide leadership in the protection, management and use of the province's forest and range lands. Its 2001/02 vision that "*The British Columbia Forest Service is universally recognized as a leader in the sustainable management of forests and range lands*" reflects this leadership role.

At the beginning of 2001/02, the Forest Service was charged with defining and achieving a balance between the economic and social needs of British Columbians, and the need to maintain the environmental integrity of forest and range lands in perpetuity. This role was reflected in the 2001/02 mission statement to "*Manage and conserve the province's forest and range resources in a manner that balances economic, ecological and social benefits for all British Columbians.*"

The Forest Service protects the public's interest in its forest and range lands through a commitment to the values of trust, fairness, truthfulness, responsibility, accountability, and respect for the land. We are guided by the ethics of sustainable use, stewardship and public service.

Ministry Goals, Objectives and Strategies

To provide the ministry with strategic direction, the following four long-term goals were established for 2001/02:

1. **Healthy Forests** — The use of our forest resources to generate economic and social benefits today will not come at the expense of the long-term health of forest ecosystems.
2. **A Strong Forest Economy** — Our forests and range lands provide work and economic opportunities for many British Columbians and are a significant contributor to the province's overall economic health.
3. **All British Columbians Benefit from the Sustainable Use of Their Forests** — As owners of 90 per cent of the B.C. land base, all British Columbians have a right to benefit from commercial use of their forests. In addition, all British Columbians should have the opportunity to use the province's forests to satisfy their social and cultural needs and traditions.
4. **Be an Effective Sustainable Forest Manager** — The ministry is committed to remaining an effective and ethical organization that is performance-oriented and able to deliver sustainable forest management for the people of B.C.

To further assist the ministry in achieving these four goals, 14 core Business Areas were established for 2001/02 which incorporate the functions carried out by the ministry. (Research, and Compliance and Enforcement were formalized as Business Area 15 and Business Area 16, respectively, later in the year.) Objectives and strategies were developed for each Business Area. Corporate performance measures and targets were assigned within each Business Area and tracked to indicate how successful the ministry was in achieving its goals. Summaries of objectives, strategies and ministry performance by Business Area in 2001/02 are provided in this report.

Ministry Services

The Forest Service is the main agency responsible for the stewardship of 49 million hectares of provincial forest land. Managing these provincial forests presents a unique and complex set of challenges. More than 90 per cent of B.C.'s forest lands are publicly owned, which means that the provincial government, on behalf of the public, plays a much more prominent role in the forest sector than its counterparts in other forestry jurisdictions.

The ministry pursues its mandate for sustainable forest management in a consultative manner with the public, industry, and other Crown agencies, while recognizing the unique role of aboriginal people. In this way, the ministry works to earn the public's trust as our staff make the day-to-day decisions which ensure that all British Columbians can look forward to healthy forests and a strong forest economy now and in the future.

In 2001/02, the ministry was organized into six regional offices, 40 district offices, and 18 headquarters (Victoria) branches (see "Organization Chart" section). As a result of the Core Services Review and government direction on future reductions to ministry resources, the ministry announced a new organizational structure in February 2002 which will include the closure of some offices and branches. The new structure will be implemented over a three-year period beginning in 2002/03.

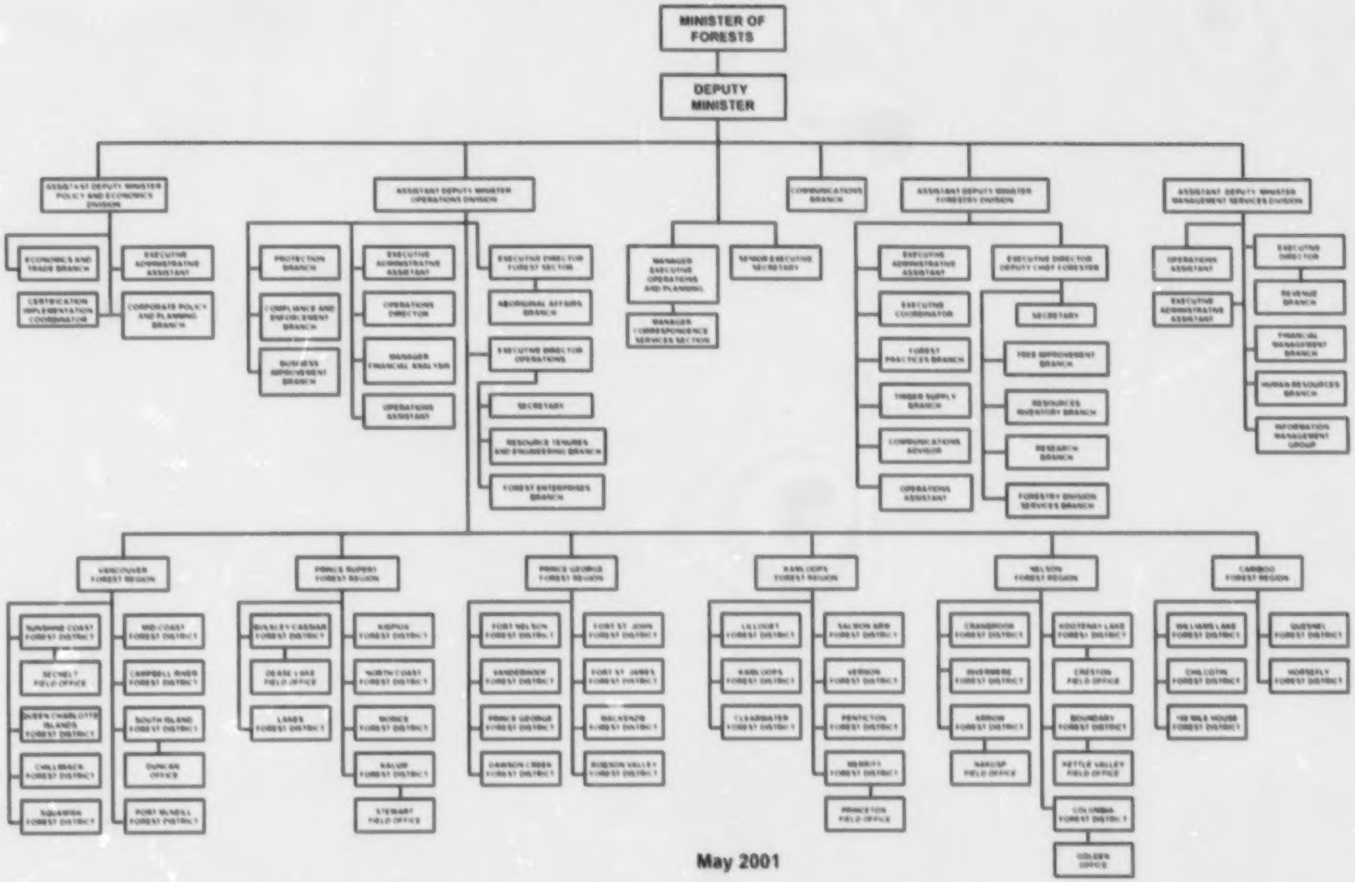
Significant Transition Changes and Alignment with Government Strategic Plan and Goals

During 2001/02, the Land-Use Planning and Inventory components of the Forest Service were transferred to the Ministry of Sustainable Resource Management and the responsibility for collecting forest revenue owed to the Crown was transferred to the Ministry of Provincial Revenue.

In addition, the Core Services Review of the ministry, completed in the fall of 2001, directed the ministry to move to results-based regulation, establish defined forest area management, and pursue alternative arrangements for direct delivery with the forest industry and other stakeholders. The results of these major forest policy changes changed the ministry's balance-oriented mandate to a refocused mandate of protecting and managing British Columbia's forest and range resources. The refocused mandate aligns with the government's *New Era* commitments for sustainable forestry and the government's long-term goal of a sustainable environment.

The refocused mandate and subsequent changes to the ministry's vision, mission and goals are reflected in its *Service Plan 2002/03–2004/05*.

The ministry operates under a legislative framework comprised of the *Ministry of Forests Act*, the *Forest Act*, the *Range Act*, and the *Forest Practices Code of British Columbia Act*. To implement the major forest policy changes associated with its refocused mandate, significant amendments to the ministry's current legislative framework are anticipated in 2002/03 and beyond.



MINISTRY OF FORESTS ORGANIZATIONAL CHART

May 2001

MINISTER OF FORESTS
DEPUTY MINISTER
ASSISTANT DEPUTY MINISTER POLICY AND ECONOMICS DIVISION
ECONOMICS AND TRADE BRANCH
CERTIFICATION IMPLEMENTATION COORDINATOR
EXECUTIVE ADMINISTRATIVE ASSISTANT
CORPORATE POLICY AND PLANNING BRANCH
ASSISTANT DEPUTY MINISTER OPERATIONS DIVISION
PROTECTION BRANCH
COMPLIANCE AND ENFORCEMENT BRANCH
BUSINESS IMPROVEMENT BRANCH
EXECUTIVE ADMINISTRATIVE ASSISTANT
OPERATIONS DIRECTOR
MANAGER FINANCIAL ANALYSIS
OPERATIONS ASSISTANT
EXECUTIVE DIRECTOR FOREST SECTOR
ABORIGINAL AFFAIRS BRANCH
EXECUTIVE DIRECTOR OPERATIONS
SECRETARY
RESOURCE TENURES AND ENGINEERING BRANCH
FOREST ENTERPRISES BRANCH
MANAGER EXECUTIVE OPERATIONS AND PLANNING
MANAGER CORRESPONDENCE SERVICES SECTION
SENIOR EXECUTIVE SECRETARY
COMMUNICATIONS BRANCH
ASSISTANT DEPUTY MINISTER FORESTRY DIVISION
EXECUTIVE ADMINISTRATIVE ASSISTANT
EXECUTIVE COORDINATOR
FOREST PRACTICES BRANCH
TIMBER SUPPLY BRANCH
COMMUNICATIONS ADVISOR
OPERATIONS ASSISTANT
EXECUTIVE DIRECTOR DEPUTY CHIEF FORESTER
SECRETARY
TREE IMPROVEMENT BRANCH
RESOURCES INVENTORY BRANCH
RESEARCH BRANCH
FORESTRY DIVISION SERVICES BRANCH
ASSISTANT DEPUTY MINISTER MANAGEMENT SERVICES DIVISION
OPERATIONS ASSISTANT
EXECUTIVE ADMINISTRATIVE ASSISTANT
EXECUTIVE DIRECTOR
REVENUE BRANCH
FINANCIAL MANAGEMENT BRANCH
HUMAN RESOURCES BRANCH
INFORMATION MANAGEMENT GROUP
VANCOUVER FOREST REGION
SUNSHINE COAST FOREST DISTRICT
SECHELT FIELD OFFICE
QUEEN CHARLOTTE ISLANDS FOREST DISTRICT
CHILLIWACK FOREST DISTRICT
SQUAMISH FOREST DISTRICT
MID-COAST FOREST DISTRICT
CAMPBELL RIVER FOREST DISTRICT
SOUTH ISLAND FOREST DISTRICT
DUNCAN OFFICE
PORT McNEILL FOREST DISTRICT
PRINCE RUPERT FOREST REGION
BULKLEY CASSIAR FOREST DISTRICT
DEASE LAKE FIELD OFFICE
LAKES FOREST DISTRICT
KISPIOX FOREST DISTRICT
NORTH COAST FOREST DISTRICT
MORICE FOREST DISTRICT
KALUM FOREST DISTRICT
STEWART FIELD OFFICE
PRINCE GEORGE FOREST REGION
FORT NELSON FOREST DISTRICT
VANDERHOOF FOREST DISTRICT
PRINCE GEORGE FOREST DISTRICT
DAWSON CREEK FOREST DISTRICT
FORT ST. JOHN FOREST DISTRICT
FORT ST. JAMES FOREST DISTRICT
MACKENZIE FOREST DISTRICT
ROBSON VALLEY FOREST DISTRICT
KAMLOOPS FOREST REGION
LILLOOET FOREST DISTRICT
KAMLOOPS FOREST DISTRICT
CLEARWATER FOREST DISTRICT
SALMON ARM FOREST DISTRICT
VERNON FOREST DISTRICT
PENTICTON FOREST DISTRICT
MERRITT FOREST DISTRICT
PRINCETON FIELD OFFICE
NELSON FOREST REGION
CRANBROOK FOREST DISTRICT
INVERMERE FOREST DISTRICT
ARROW FOREST DISTRICT
NAKUSP FIELD OFFICE
KOOTENAY LAKE FOREST DISTRICT
CRESTON FIELD OFFICE
BOUNDARY FOREST DISTRICT
KETTLE VALLEY FIELD OFFICE
COLUMBIA FOREST DISTRICT
GOLDEN OFFICE
CARIBOO FOREST REGION
WILLIAMS LAKE FOREST DISTRICT
CHILCOTIN FOREST DISTRICT
100 MILE HOUSE FOREST DISTRICT
QUESNEL FOREST DISTRICT
HORSEFLY FOREST DISTRICT

Updated Environmental Scan

Introduction

Uncertainty and rapid change were features of the global environment within which the British Columbia forest sector operated in 2001/02. Competitiveness issues dominated the forest policy agenda during the fiscal year. Two aspects of competitiveness were key themes: U.S. market access, and new B.C. government policy direction.

U.S. market access was a focus for all of 2001/02 and will continue to be a major issue for the foreseeable future:

- Expiry of the Canada/U.S. Softwood Lumber Agreement on March 31, 2001 was quickly followed (on April 2, 2001) by the filing of countervailing duty and anti-dumping cases by the U.S. Coalition for Fair Lumber Imports.
- B.C. arguments that the provincial lumber industry is not subsidized had no effect on U.S. actions. In August 2001, the U.S. Department of Commerce introduced a preliminary countervailing duty of 19.3 per cent. This was followed by an average preliminary anti-dumping duty of 12.6 per cent in October, for a combined preliminary rate of 32 per cent.
- Discussions and negotiations about the possibility of a policy-based solution to the softwood lumber trade dispute took place throughout the fall and winter. Unfortunately, no agreement was reached. As a result, on March 22, 2002, the U.S. Department of Commerce announced final duty amounts totalling 29 per cent (later revised to 27.2 per cent). This finding was later finalized by the U.S. International Trade Commission. Cash deposits for estimated duties went into effect on May 22, 2002.
- The government of Canada has launched both World Trade Organization and North American Free Trade Agreement challenges to the U.S. softwood lumber duty determinations. However, both processes will take time to complete.
- In the meantime, the high duty level will make B.C. forest products less competitive in the U.S. and B.C. forest companies less resilient to any declines in forest product prices.

New government forest policy direction was also a key theme during 2001/02. The election of the new provincial government in May 2001 was followed by commitments to a range of forest policy changes. Those include:

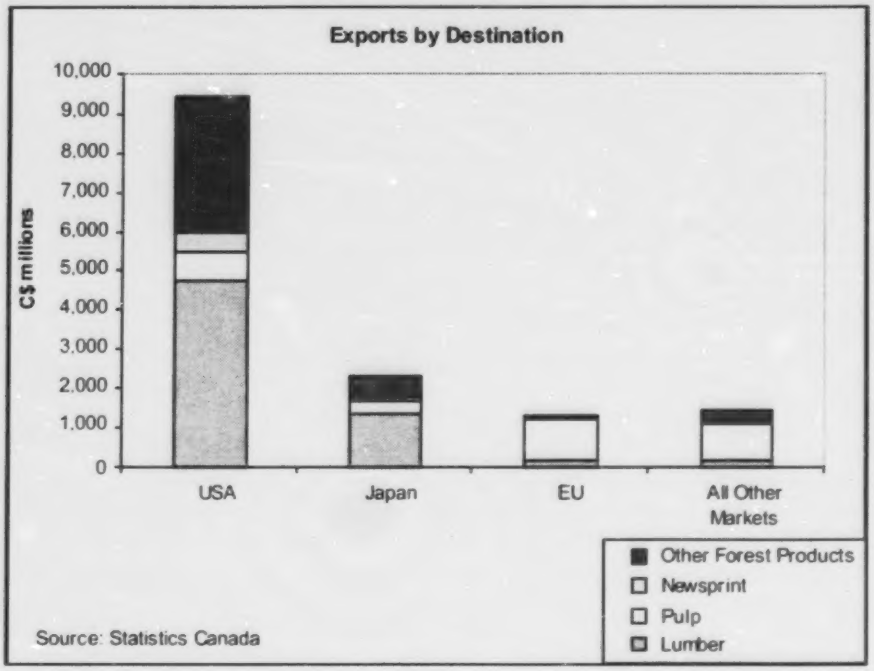
- developing and introducing a new market-based pricing system,
- streamlining the Forest Practices Code to establish a workable, results-based code, with tough penalties for non-compliance,
- putting the Small Business Forest Enterprise Program (to be renamed BC Timber Sales) on a commercial footing, and
- proceeding with Core Service Review ministry restructuring.

Together, these changes have the potential to fundamentally reshape the B.C. forest sector. Development work and analysis on these commitments took place during 2001/02. Implementation will be the focus in future fiscal years.

Prices, Costs and Performance

B.C.'s forest-based industries produce an array of wood products, but are dominated by the production of lumber, pulp and paper. These commodities are sold into world markets.

In 2001, B.C. forest product exports totalled $14.5 billion and accounted for 46 per cent of total provincial exports and 8 per cent of world exports of forest products. The primary market for B.C. products is the U.S., which imported 65 per cent of B.C.'s total provincial forest product exports in 2001. Japan is the second-largest market, accounting for approximately 16 per cent of exports.



Exports by Destination

Source: Statistics Canada

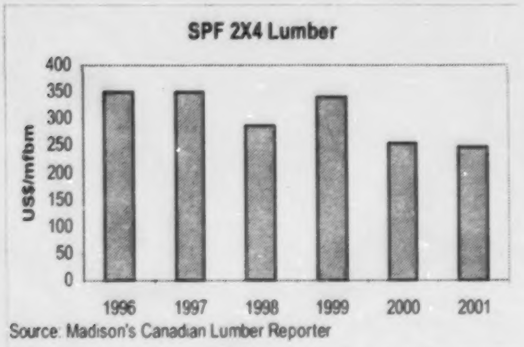
The forest sector's reliance on exports means that world prices are an important determinant of the health of the sector as a whole.

Generally, prices were down in 2001. The price of spruce-pine-fir (SPF) softwood lumber 2x4s, the key product of the Interior lumber industry, fell from an average of US$255/thousand board feet (mfbm) in 2000 to US$249/mfbm in 2001, a drop of 2 per cent. U.S. markets improved somewhat in the first quarter of 2002, but uncertainty about U.S. market access and new softwood lumber tariffs will undoubtedly continue to affect the industry.

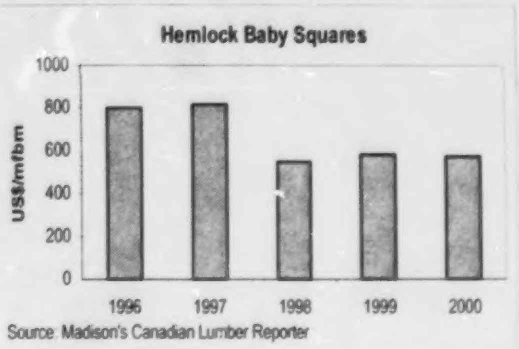
The price for hemlock baby squares, a key product for the Coastal industry, remained relatively stable in 2001, declining slightly from the 2000 average. Japanese demand has not recovered to average 1990s levels, and given shifts in product demand, is unlikely to do so.

Market demand for northern bleached softwood kraft (NBSK) pulp weakened markedly in 2001, with prices declining sharply from the 2000 average of US$681/tonne to US$541/tonne, a drop of 21 per cent. Pulp prices continued to decline in the first quarter of 2002.

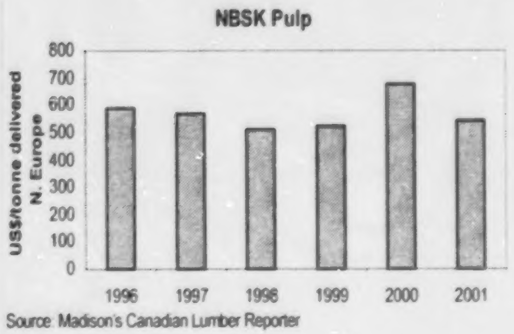
Only newsprint prices rose in 2001, with average prices reaching US$588/tonne for the year, an increase of 4 per cent. This strength was not maintained in the first quarter of 2002 and it is expected that prices will bottom-out later in the year.


SPF 2X4 Lumber

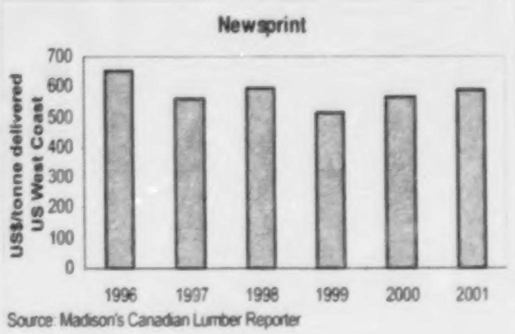
Source: Madison's Canadian Lumber Reporter


Hemlock Baby Squares

Source: Madison's Canadian Lumber Reporter


NBSK Pulp

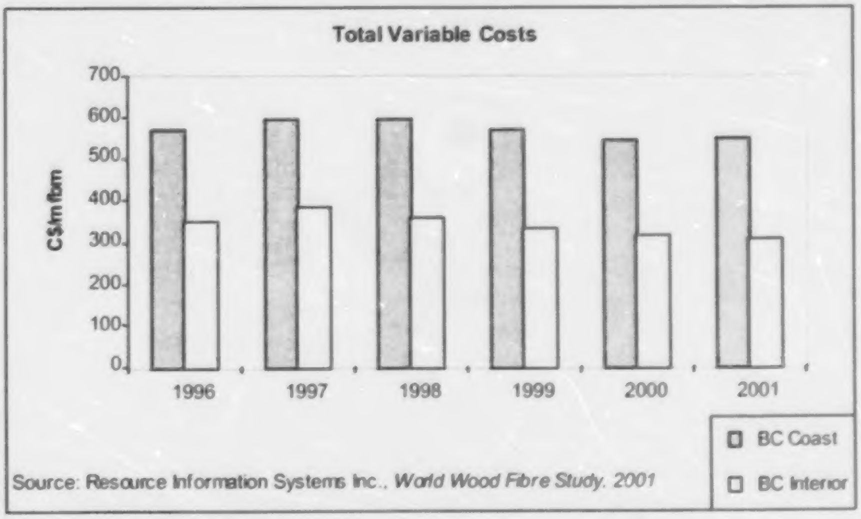
Source: Madison's Canadian Lumber Reporter


Newsprint

Source: Madison's Canadian Lumber Reporter

In addition to world prices, production costs are important to the provincial forest sector. For a cyclical, competitive, mature industry to be successful in the global marketplace, costs must be kept low.

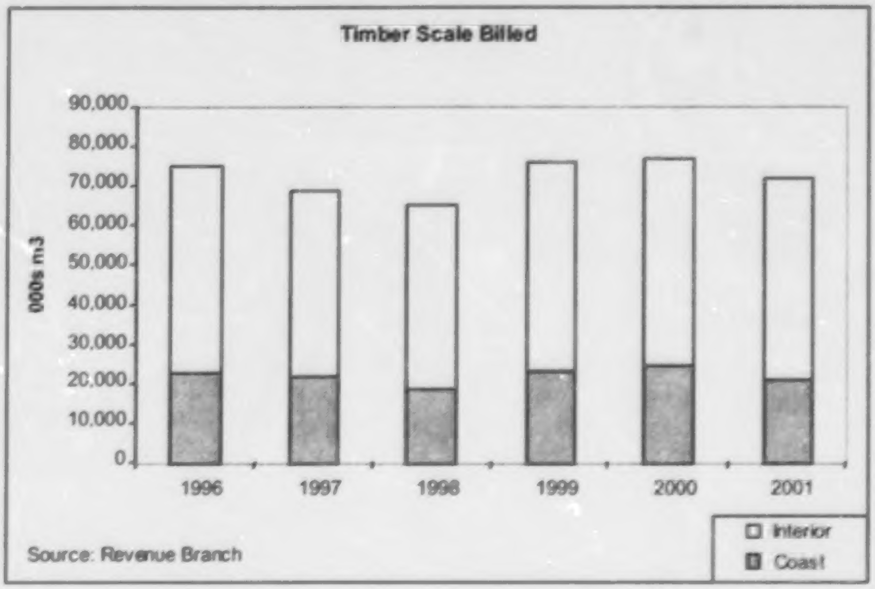
In 2001, variable costs — or costs that vary directly with output — increased slightly on the Coast, but declined in the Interior. The variable cost category includes costs of harvesting, labour and supply.


Total Variable Costs

Source: Resource Information Systems Inc., *World Wood Fibre Study. 2001*

For a variety of reasons, including the diversity of wood types and terrain, the B.C. Coast has significantly higher lumber production costs overall than the Interior. High production costs, changing markets, and environmental pressures continue to exert significant restructuring pressures on the Coast.

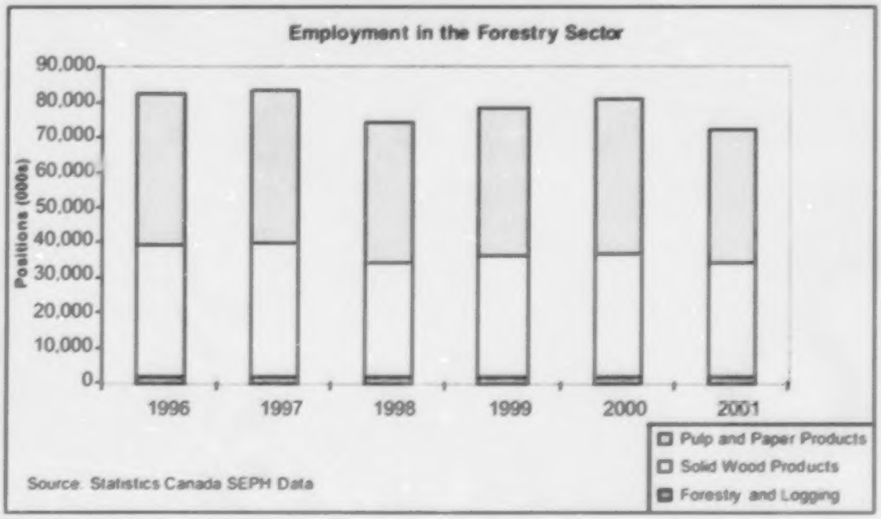
B.C. harvest levels, as measured by timber scale billed, were down somewhat in 2001, falling from 77 million cubic metres (m^3) in 2000, to 72 million m^3. Given comparatively weak prices and trade uncertainty, the decline is not surprising.



Source: Revenue Branch

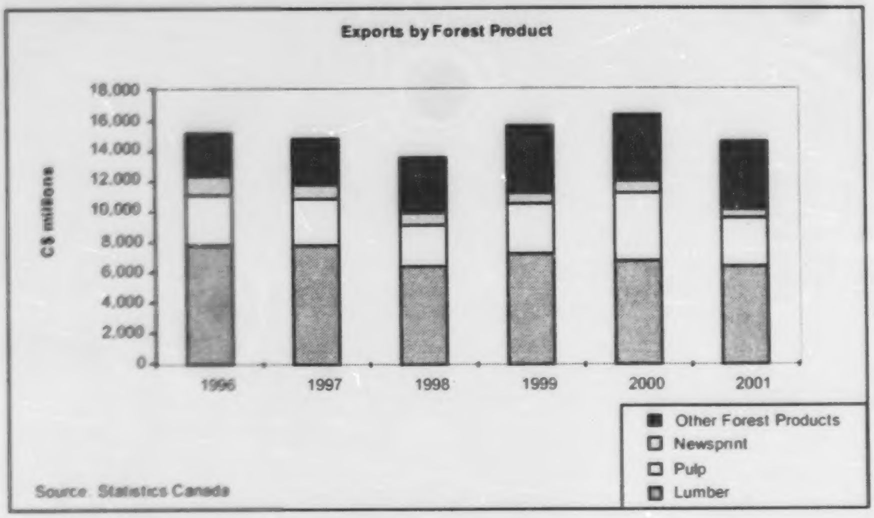
The general weakness in the sector was also evident in the employment and export numbers.

Employment levels in all sub-sectors of the industry dropped in 2001, with the largest fall occurring in the solid wood products category. Total employment in the industry was 85,041 positions, a drop of 12 per cent from 2000.



Source: Statistics Canada SEPH Data

Total British Columbia forest exports dropped from $16.3 billion in 2000 to $14.5 billion in 2001. Reduced pulp shipments accounted for much of the change.



Source: Statistics Canada

In terms of outlook, with softwood lumber tariffs coming into effect as of May 2002, both trade flows and employment levels are unlikely to markedly improve in the 2002/03 fiscal year.

Supply and Sustainability

While demand-side issues were the centre of attention during 2001/02, any economic scan is incomplete without an examination of supply. Three supply-related issues that will affect the provincial forest sector on a long-term basis are:

- the world supply of timber,
- certification, and
- First Nations land claims.

World Timber Supply

World timber supply should not be a constraint on global forest product production in the foreseeable future. It is expected that the availability of wood fibre will improve significantly over the next 20 to 25 years, as the commercial production of timber becomes increasingly concentrated on managed forests and plantations.[1] While timber inventories in global "native" forests are expected to decline moderately, "non-native" plantation inventories will compensate for the loss. Non-native plantations are generally more productive than their native counterparts, and by 2025, some experts predict that fibre from these sources will represent one-third of the operable growing stock and supply more than half of global wood fibre needs. In terms of wood supply, this means that Asia, Central America, South America, Australia and New Zealand will become increasingly important wood-fibre suppliers. From a B.C. perspective, this implies increased competition in world forest product markets.

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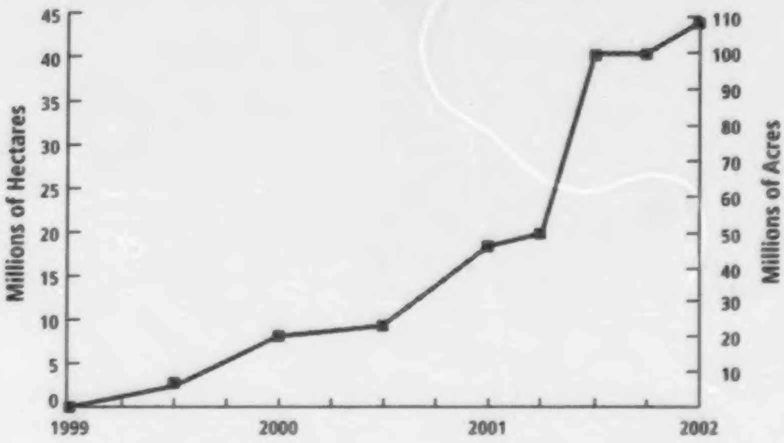
[1] Resource Information Systems Inc., World Woodl Fibre Study — Analysis and Forecast.

Certification

Certification is increasingly seen as a means of sustainable resource management and excellence in forest stewardship. It is expected that, over time, certification will become more of a prerequisite for access to global forest product markets.

Virtually every major B.C. forest company has now met the requirements of ISO's environmental management system, and has either achieved or is pursuing third-party certification.

Growth in ISO Certification



First Nations Land Claims

The uncertainty associated with unresolved First Nations land claims continues to affect the provincial forest sector. As land claims are resolved and treaties are put into place, there will be increased clarity about what constitutes the forest land base, and First Nations forest stewardship roles and expectations.

This clarity will improve both the long-term stability of the provincial timber supply and the investment attractiveness of provincial forest enterprises.

Conclusion

The B.C. forest sector will continue to face the challenges associated with a dynamic and ever-changing global environment. Only a sector that is outward looking, globally competitive, environmentally responsible, and locally accountable will be able to succeed. The ministry's ongoing task is to ensure that an appropriate policy, regulatory and legislative framework is in place to support these objectives.

Update on *New Era* Commitments

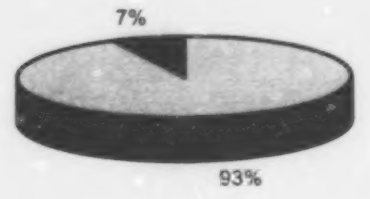
In 2001, the provincial government established 11 commitments for their *New Era of Sustainable Forestry* which fall within the ministry's mandate. Most of these *New Era* commitments are associated with a ministry Business Area, as identified below. Further information on the ministry's roles in achieving these commitments is found in the Performance Reporting section of this report under "Performance Reports."

New Era Commitment	Ministry Action	See Report for
1. Establish a working forest land base, to provide greater stability for working families and to enhance long-term forestry management and planning	The land-use planning responsibilities and resources of the ministry were transferred to the Ministry of Sustainable Resource Management in 2001/02.	—
2. Streamline the Forest Practices Code to establish a workable, results-based code, with tough penalties for non-compliance.	The results-based code was initiated in 2001/02, and legislation will be in place by fall 2002.	Business Area 1: Forest and Range Practices
3. Apply 1 per cent of all direct forest revenues, not including "super stumpage," to global marketing of B.C.'s forest practices and products.	New international marketing initiatives will be implemented in 2002/03	Business Area 4: Market Access
4. Create a market-based stumpage system that reflects global market realities and local harvesting costs.	Market-based pricing reform and defined forest area management projects were initiated in 2001/02.	Business Area 12: Revenue
5. Either fix or scrap Forest Renewal BC, starting by removing the political appointees on the board.	The Forest Renewal BC Review was completed in 2001/02. The corporation was wound up on March 31, 2002. The new Forest Investment Account was implemented on April 1, 2002.	—
6. Invest in research to promote forest stewardship.	The Forest Service and the Forest Investment Account will fund focused research.	Business Area 15: Research
7. Cut the forestry regulatory burden by one-third within three years, without compromising environmental standards.	A deregulation report was delivered to government in September 2001. Deregulation and development of an effective results-based Forest Practices Code were initiated in 2001/02. High environmental standards will be maintained.	Business Area 1: Forest and Range Practices
8. Work to expedite interim measures agreements with First Nations, to provide greater certainty during treaty talks.	The Forest Service continues to provide support for the Treaty Negotiations Office.	Business Area 11: First Nations

New Era Commitment	Ministry Action	See Report for
9. Increase the allowable annual cut over time through scientific forest management, proper planning, and incentives to promote enhanced silviculture.	Tree improvement, planning, research and silviculture activities will be funded through the Forest Investment Account.	Business Area 7: Forest and Range Productivity Improvements
10. Eliminate "waterbedding."	Planning for a market-based timber pricing regime that will eliminate waterbedding (i.e., stumpage inequities among licensees) was initiated in 2001/02.	Business Area 12: Revenue
11. Scrap the "HCL" silviculture hiring-hall policy that discriminates against silviculture workers.	The Forest Renewal BC Review was completed in 2001/02. The corporation was wound up on March 31, 2002. The hiring policies in place under Forest Renewal BC were terminated.	—

Performance Reporting

Scorecard of 2001/02 Performance Measure Target Achievement



93% of targets substantially achieved or achieved

7% of targets partially achieved or not achieved

✓✓	Over-achieved	▲	Partially achieved
✓	Achieved	✗	Not achieved
✓	Substantially achieved		

Goal 1: Healthy Forests

Business Area	Performance Measures	Published Targets	Actual	Achievement	More Info
1. Regulation of Forest and Range Practices, and **16. Compliance and Enforcement**	Percentage of industry and government compliance with statutory obligations	94%	94%	✓ Achieved	Page 25
	Percentage of high-priority sites inspected	80%	89%	✓✓ Over-achieved	Page 25
	Number of completed effectiveness evaluations of the legislation	3	4	✓✓ Over-achieved	Page 22
2. Land-Use Planning	Percentage of B.C. with a strategic land-use plan approved (Moved to Ministry of Sustainable Resource Management [MSRM])	80%	Not reported	Moved to MSRM	—
	Total number of landscape units with draft or final landscape unit objectives for priority biodiversity (Moved to MSRM)	300	Not reported	Moved to MSRM	—

Business Area	Performance Measures	Published Targets	Actual	Achievement	More Info
3. Timber and Range Supply, Planning and Determination	Number of allowable annual cuts (AACs) determined through the Timber Supply Review for timber supply areas (TSAs) and tree farm licences (TFLs)	25	28	✔✔ Over-achieved	Page 27
	Percentage of determinations achieved before their five-year deadline	83%	79%	✔ Substantially achieved	Page 27
	Number of analyses of animal unit months (AUMs) of forage completed	435 (An incorrect target of 449 was published)	417	✔ Substantially achieved	Page 28
	Percentage of active map sheets completed within the last two years (Moved to MSRM)	100%	Not reported	Moved to MSRM	—
4. Market Access	B.C. share of the U.S. softwood lumber market	16%	17%	✔✔ Over-achieved	Page 29
	B.C. share of Japanese softwood lumber imports	49%	46%	✔ Substantially achieved	Page 29

Goal 2: A Strong Forest Economy

5. Protection of Forest and Range Resources from Fire and Pests	Percentage of Crown forest aerial-surveyed for insect infestations	100%	93%	✔ Substantially achieved	Page 35
	Percentage of high-priority bark beetle infestation sites treated	Baseline to be established	53%	✔ Baseline established	Page 35
	Number of critical invasive alien plant infestation sites treated	3,960	3,683	✔ Substantially achieved	Page 35
	Total hectares (ha) of Crown land lost to unwanted wildfire annually (based on five-year average)	< 45,000 ha	17,096	✔ Achieved	Page 36
	Percentage of unwanted wildfires contained at < 4 ha (based on five-year average)	89%	93%	✔✔ Over-achieved	Page 35

Business Area	Performance Measures	Published Targets	Actual	Achievement	More Info
6. Forest Road Infrastructure	Percentage of kilometres of Forest Service roads maintained by the ministry to Forest Practice Code standards	100%	80%	✔ Substantially achieved	Page 34
	Percentage of all Forest Service road bridges at full-load capacity	85%	89%	✔✔ Over-achieved	Page 34
7. Forest and Range Productivity Improvements	Volume gain (m^3 of timber/year) from all ministry reforestation activities expected to be available for harvest in approximately 65 years (excluding the Small Business Forest Enterprise Program [SBFEP])	360,000	327,900	✔ Substantially achieved	Page 37
	Volume gain (m^3 of timber/year) from all tree improvement activities expected to be available for harvest in approximately 65 years	1,301,000 m^3	1,847,000 m^3	✔✔ Over-achieved	Page 37
8. Tenure Administration	Percentage of TSA AACs under a form of tenure (excluding SBFEP tenures)	90%	96%	✔✔ Over-achieved	Page 32
	Percentage of available AUMs of forage allocated	90%	89%	✔ Achieved	Page 27
9. Small Business Forest Enterprise Program	Revenue ($ millions) generated from the SBFEP	$266 (Revised to $202.4 by Treasury Board)	$195.5	✔ Substantially Achieved	Page 30
	Total volume (millions m^3) sold under the SBFEP	9.020	8.960	✔ Achieved	Page 30
	Total volume (millions m^3) harvested under the SBFEP	9.200	9.960	✔✔ Over-achieved	Page 30
	Number (millions) of seedlings planted under the SBFEP	31.9 (An incorrect target of 35 M was published)	30.7	✔ Substantially achieved	Page 30

Goal 3: All British Columbians Benefit from the Sustainable Use of Their Forests

Business Area	Performance Measures	Published Targets	Actual	Achievement	More Info
10. Recreation and Non-Timber/ Non-Range Benefits	Total number of Forest Service campgrounds managed	1,018	1,139	✓ Achieved, definition expanded	Page 41
	Number of Forest Service campgrounds managed to a basic level	522	1,028	✓✓ Over-achieved	Page 42
	Number of Forest Service campgrounds managed to an enhanced level	32	32	✓ Achieved	Page 42
11. First Nations	Number of formal treaty negotiations or other co-operative processes in which the ministry is involved with First Nations (Revised measure)	216 (Revised target)	217	✓✓ Over-achieved	Page 42
12. Revenue	Revenue ($ billions)	$1.183	$1.164	✓ Substantially Achieved	Page 39
	Percentage of revenue written off (Transferred to the Ministry of Provincial Revenue)	< 1%	Not reported	Moved to Ministry of Provincial Revenue	—
	Check scale performance (percentage)	85%	77%	✓ Substantially achieved	Page 39
	Volume (m^3 per month, to the nearest 100,000 m^3) of unbilled scale	800,000	800,000	✓ Achieved	Page 40

Goal 4: Be an Effective Sustainable Forest Manager

Business Area	Performance Measures	Published Targets	Actual	Achievement	More Info
13. Human Resources	Percentage variance of ministry Short-Term Illness and Injury Plan time compared with the public service average (PSA)	25% below PSA	36% below PSA	✔✔ Over-achieved	Page 43
	Percentage of critical vacancies filled within six months	100%	49%	✘ Not achieved. Performance affected by government downsizing	Page 43
	Percentage difference of ministry representatives of the four designated groups (women [W], persons with a disability [PD], visible minorities [VM], and aboriginal persons [AP]), compared with similar private-sector employers	> or = 0% difference	W +4; VM -64; AP -18; PD +13 Visible minorities and aboriginal peoples are under-represented	▲ Partially achieved. Performance affected by government downsizing and inability to recruit from designated groups	Page 43
	Percentage of ministry staff with up-to-date performance planning and review documents	80%	66%	✔ Substantially achieved	Page 44
14. Corporate Governance	Percentage of corporate performance measures achieved	100%	93% (33.5 out of 36 at 80% of target or better)	✔ Substantially achieved	Page 44
	Number of business process improvement projects implemented	12	12	✔ Achieved	Page 45
	Estimated number (millions) of ministry web site visits per year by external visitors	2.2	1.8	✔ Substantially achieved	Page 45

Performance Reports

This section reports on the ministry's accomplishments, by Business Area, in the context of its goals, objectives and strategies. In presenting this information, this section is organized by goal and associated objective(s). Under each objective, strategies are identified and performance is summarized for those Business Areas associated with each strategy.

The *Performance Plan 2001/02 – 2003/04* contains 14 Business Areas. However, as a result of government ministry restructuring and the Core Services Review during 2001/02, the Business Areas in the ministry were revised and expanded to 16. Subsequently, one Business Area was transferred to another ministry. In recognition of these changes, this section refers to all 16 Business Areas and reports on the 15 Business Areas that will form the basis for ongoing performance reporting by the Ministry of Forests.

GOAL 1 Healthy Forests

Objective 1.1 Conserve and restore the biodiversity of forests and grassland ecosystems.

Objective 1.2 Ensure that forest and range management maintains water quality and quantity.

Objective 1.3 Ensure that forest and range management maintains soil quality and quantity.

Strategy 1.0.1 Continue to improve the effectiveness of the current forest and range practices and the regulatory regime, including compliance and enforcement initiatives, by implementing performance-based regulation pilots and by evaluating their results for potential use province-wide.

Strategy 1.0.2 Improve our understanding of the effectiveness of forest practices regulation by increasing monitoring of forest condition and by undertaking evaluation studies on specific aspects of the Forest Practices Code.

Business Area 1: Forest and Range Practices

This Business Area sets performance standards for forest and range practices to achieve sustainable use. It is delivered by branches, regions and districts.

Principal functions of the Business Area include:

- developing policy, standards and legislation for all forest and range practices,
- evaluating the effectiveness of standards and legislation,
- preparing and approving operational plans and prescriptions,
- conducting silviculture surveys,
- collecting range reference area data in support of range-use planning and forage allocation, and
- encouraging public involvement.

2001/02

Under this objective, the Business Area target was to complete three effectiveness evaluations of forest practices legislation. Four evaluations were completed, over-achieving the target. Completed projects addressed legislation covering wildlife tree retention, range use, and silviculture practices.

Also this year, the Business Area developed and implemented a new program to evaluate the effectiveness of performance standards governing forestry and range practices. This program is expected to be expanded and become a key component of the new results-based code.

The majority of the Business Area's work in the later half of the year was in developing a results-based Forest Practices Code, as part of a *New Era* commitment. Policy teams of specialists from across the ministry, and from the Ministry of Water, Land and Air Protection, and the Ministry of Sustainable Resource Management worked on results-based management regimes for forest and range values. These regimes were outlined in a public discussion paper that was released in April 2002.

Compliance with all existing forest practices statutory obligations was substantial, as discussed under the Business Area 16 report, below.

A key aspect of forest practices legislation which contributes to healthy productive forests is that areas harvested after October 1, 1987 must be reforested promptly. The current status of not satisfactorily restocked Crown land is presented in Table 1. Table 1 represents a balance sheet of all areas harvested in the province and their reforestation status. This table includes areas harvested prior to 1987 (termed "backlog," equivalent to 180,838 hectares [ha] at the end of 2001/02), and those currently between harvest and reforestation (a total of 445,862 ha at the end of 2001/02). Backlog areas may eventually be reforested and returned to productivity or reclassified to non-productive areas. Areas currently between harvest and reforestation are within their legislated allowable limits for regeneration delay (as indicated by the per cent compliance with legislation reported by the Compliance and Enforcement business area) and are expected to remain at a relatively steady level.

Table 1: Changes in the Not Satisfactorily Restocked (NSR)[1] Crown Land in 2001/02

	BACKLOG[2]		CURRENT REFORESTATION[3]			
RESPONSIBILITY	MINISTRY	MINISTRY	MINISTRY	SBFEP	MAJOR LICENSEES	**TOTALS**
YEAR OF DENUDATION	PRE-82	1982-87	POST-87 (OCT. 1/87)	POST-88 (JAN. 1/88)	POST-87 (OCT. 1/87)	
	hectares					
CHANGES						
Total NSR (end of 2000/01)[4]	**122,819**	**66,791**	**32,179**	**33,882**	**377,357**	**633,028**
Additions in NSR in 2001/02 due to:						
Harvesting,[5] fire and pests[6]	559	306	2,105	11,306	115,238	129,513
Plantation failure	1,316	1,284	107	414	1,037	4,158
Natural regeneration failure	794	770	37	118	509	2,228
TOTAL ADDITIONS TO NSR	**2,669**	**2,360**	**2,249**	**11,838**	**116,784**	**135,899**
Reductions to NSR in 2001/02 due to:						
Planting	2,959	3,272	1,697	11,606	88,391	107,24
Natural regeneration	3,613	1,852	1,524	2,201	16,749	25,940
Reclassification of NSR to NP[7]	1,522	583	611	614	5,033	8,363
TOTAL REDUCTIONS TO NSR	**8,094**	**5,707**	**3,832**	**14,421**	**110,173**	**142,226**
TOTAL NSR	**117,394**	**63,444**	**30,597**	**31,298**	**383,967**	**626,700**
NET DECREASE IN NSR IN 2001/02	**(5,425)**	**(3,347)**	**(1,583)**	**(2,583)**	**6,611**	**(6,328**

[1] Includes accomplishments under all funding sources. This table is based on draft data in ministry information systems as of May 23, 2002. Final figures will be posted on the ministry's public web site in the fall of 2002. Where data entry is incomplete or delayed, numbers reported may underestimate actual accomplishments.

[2] Backlog obligation categories, below, are based on the responsibility for reforestation to the free-growing stage.

Ministry, Pre-82	A large portion of Good and Medium Sites in this obligation category was treated under the Canada - B.C. Partnership Agreement on Forest Resource Development FRDA I (1985 – 1990).
Ministry, 1982-87, All Sites	Includes areas under the (then-named) Small Business Enterprise Program which were cut prior to January 1, 1988, and major licensee areas cut prior to October 1, 1987. These areas are considered "outstanding obligations," as of August 1996, for treatment under the Backlog Reforestation Program funded by Forest Renewal BC.

[3] Current obligation categories, below, are based on the responsibility for reforestation to a free-growing stage, by law, within an acceptable period of time.

Ministry, Post-1987, All Sites	The Ministry remains responsible for basic silviculture on all areas denuded by fire or insects.
SBFEP, Post-88, All Sites	Basic silviculture on areas denuded under the Small Business Forest Enterprise Program (SBFEP) after January 1, 1988 is funded by the SBFEP account and implemented by the Ministry of Forests.
Major Licensees, Post-1987, All Sites	Basic silviculture on areas denuded by major licensees after October 1, 1987 is funded by major licensees. Licensees have approximately six to seven years to reach the basic silviculture requirement for restocking through natural regeneration, or about three to four years through planting, as specified in the silviculture prescription.

[4] Adjustments to NSR figures reported on the ministry's web site following publication of the 2000/01 Annual Performance Report can be summarized as follows:

Total NSR at the end of 2000/01	642,529 ha
Late updates to the database:	
Further change in NSR (Pre-87)	(8,046) ha
Further change in NSR (Post-87)	(1,455) ha
Total NSR at the beginning of 2001/02	633,028 ha

[5] NSR resulting from logging is the net area to be reforested after harvest (excluding roads, landings and other non-productive areas).

[6] Openings caused by fire or insects refer to incidence in mature timber or in areas already classified as free growing. Fire and insect incidence prior to free growing is considered plantation or natural regeneration failure.

[7] NP is non-productive land. Land is reclassified to NP to account for roads, landings, swamps, rock outcrops, etc.

Business Area 16: Compliance and Enforcement

Business Area 16 promotes compliance, by both industry and the Forest Service, with forest and range legislation, and helps the government effectively enforce that legislation.

The Business Area supports the ministry's goals by ensuring that performance standards are established and enforced for managing timber, forage, biodiversity, water, soil, forest habitat, and scenic resources. It also supports the development of clear, measurable, enforceable and practical legislation by providing advice on standards and risk management.

2001/02

The Business Area achieved its corporate performance measure targets for 2001/02. Industry and government successfully met the 94 per cent compliance requirements with forest practices. There were 28,236 inspections carried out in accordance with compliance procedures. Of the 5,898 sites that were identified as a high priority for inspections based on a risk assessment, 89 per cent were inspected.

A summary of enforcement activities resulted in the estimate that less than 2 per cent of forest revenue is lost due to illegal forest activity (supporting Business Area 12). In 2001/02, more than 90 per cent of the major forest theft and forest fraud investigations were successfully concluded. Compliance and Enforcement Branch staff were involved in one fire cause/arson investigation with the Protection Program (Business Area 5) and approximately 150 other investigations throughout the province. They also completed two internal investigations, initiated three new internal investigations, and assisted the RCMP in three non-forestry (illegal grow-operations) and two forestry-related investigations.

A Crime Stoppers pilot project is active in 12 forest districts to provide greater public awareness of forest crimes (e.g., fraud, mischief, theft and arson) and to encourage assistance from the public.

During 2001/02, the Business Area also completed its Organization Review and report, which provided a series of recommendations designed to enhance its effectiveness, independence, accountability and integrity. The recommendations, which link to the government's Core Services Review process, will be implemented in 2002/03.

Also during this year, 523 ministry and other government agency staff and First Nations received compliance and enforcement training in Basic Law, the Rule of Law, Investigations, Compliance Procedures, Risk Management and Statutory Decision-Making.

The Business Area will be implementing a new regime to address the new timber pricing system, revenue safeguards, and changes to the tenure system (in support of the Revenue and the tenure administration business areas (12 and 8 respectively). Compliance and enforcement options will be rationalized with the *Forest Practices Code of British Columbia Act*, the *Forest Act*, the *Range Act*, and associated regulations. The implementation will include a review of compliance and enforcement options to ensure that tools are available to address revenue-related contraventions.

Table 2: 2001/02 Summary of High-Priority Sites Identified and Total Number of Inspections

	No. of High-Priority Sites Identified	No. of Inspections Carried Out (All Sites)
TOTAL ALL FOREST REGIONS	5,898	28,236

Strategy 1.0.3 Accelerate the establishment of landscape-unit objectives and the implementation of two key mechanisms in the Forest Practices Code for protecting biodiversity: old-growth management areas, and wildlife tree patches.

Strategy 1.0.4 Continue to support strategic land-use planning processes, such as Land and Resource Management Plans, which address environmental, social and economic priorities on the forest land base.

Business Area 2: Land-Use Planning

The functions of this Business Area were moved to the Ministry of Sustainable Resource Management (MSRM) early in the 2001/02 year. Performance is therefore not reported in this report. For information on land-use planning performance, refer to the MSRM web site at: www.gov.bc.ca/srm/

Strategy 1.0.5 Establish sustainable levels of timber and range use to ensure that the amount of timber and forage consumed is consistent with maintaining healthy forests and range lands.

Business Area 3: Timber and Range Supply, Planning and Determination

The key role and function of the Timber and Range Supply, Planning and Determination Business Area is to assess the available supply of the province's timber and range resources, taking into account current forestry practices and resource values.

The Timber Supply Review is managed under this Business Area. The ministry completes timber supply analyses for the 37 timber supply areas (TSAs), and the allowable annual cut (AAC) determinations for each TSA and 34 tree farm licences (TFLs) in B.C. at least once every five years.

Section 8 of the *Forest Act* provides the legislative requirement for the chief forester to determine AACs based on the consideration of relevant biophysical, environmental, social and economic factors. The ongoing assessments of these factors enables the chief forester to make timely AAC adjustments where necessary. This ensures that AACs are appropriate and sustainable over the long term. This Business Area supports the chief forester's AAC determination with timber supply analyses that reflect current integrated resource management.

Responsibility for managing provincial range resources falls primarily under this Business Area, as well as under Business Area 8, Tenure Administration. Key management considerations include the allocation of range land, administration of range tenures, and the collection of revenues from the livestock industry for the use of 1 million animal unit months (AUMs) of forage each year. The *Range Act* outlines provisions for range licences and permits, and the Forest Practices Code guides the standards and practices for range lands to ensure the efficient use of range resources, and to protect or enhance range land productivity.

2001/02

The fiscal target of determining AACs within the five-year deadline was successfully achieved on 79 per cent of the units, which was slightly below the performance measure target of 83 per cent.

During this year, the Business Area reviewed 28 AACs for TSAs and TFLs. This over-achieved the goal of 25 AAC determinations. In addition, as part of the third round of the Timber Supply Review program, reviews were initiated for six TSAs and six TFLs.

The Business Area also assessed the major bark beetle infestation, which now covers a large area in the central Interior of B.C. Given the enormity of this forest health issue, the AACs in the Quesnel and Burns Lake areas were temporarily increased by approximately 1 million and 1.5 million m^3 per year, respectively. The ministry will continue to reassess the sustainability of the forest resources affected by this infestation.

The range component of the business area administered 1,742 grazing licences and permits and 100 hay-cutting licences and permits, representing approximately 940,000 animal unit months of forage. It also completed 417 analyses of AUMs of forage, substantially achieving the performance measure target of 435. This work achieved the ministry's range management objectives for 2001/02.

Strategy 1.0.6 **Apply new knowledge and information to forest and range management practices and decisions, through targeted research activities.**

Business Area 15: Research

Business Area 15, the Forest Science Program, directly supports the ministry's first goal for 2001/02. It also plays a role in supporting goals 2 and 3. It enhances forest resource stewardship and helps protect the public interest by providing scientifically based information and solutions that support the development and evaluation of policies and standards, effective compliance and enforcement, and sound regulatory decision-making.

Business Area 15 was established after March 31, 2002. During 2001/02, the Forest Science Program supported Business Areas 1, 3, 4, 5 and 7 in meeting their goals and objectives. In addition, scientists provided training, consulting, and extension services to most of the other Business Areas throughout the year.

2001/02

Ministry scientists conducted research into numerous aspects of forest and range practices (Business Area 1), evaluated the effectiveness of standards, and maintained long-term environmental monitoring studies. They also provided input to the results-based Forest Practices Code discussion paper.

Site productivity and growth and yield tools and prediction models were developed during 2001/02, based on long-term experimental project information, to support timber and range supply, planning and determination (Business Area 3). Decision support for Timber Supply Review allowable annual cut (AAC) determinations was refined, and special studies were conducted as required.

The program provided scientific support for sustainable forest management initiatives and industry certification to improve market access (Business Area 4). Forest climatologists conducted analyses of greenhouse gas emissions and carbon credits as part of climate change studies linked to the Kyoto Protocol.

Research support was provided for selected forest health issues linked to the protection of forest and range resources from fire and pests (Business Area 5). Collaboration continued with the Invermere Enhanced Forest Management Pilot Project, and a study on range effects of restoring fire-maintained ecosystems was ongoing. Another project, on the use of *Hypholoma fasciculare* as a biocontrol agent for *Armillaria*, a destructive tree root disease, was continued in the Cariboo and Nelson forest regions.

Forest productivity improvements (Business Area 7) were addressed by managing the forest tree genetic resources of B.C. to ensure the development of genetically improved seed for reforestation in accordance with Forest Genetics Council objectives, and by providing the tools for silviculture planning and investment decision-making. Planning also got underway to assess funding and delivery options for forest and range productivity enhancement research.

GOAL 2 A Strong Forest Economy

Objective 2.1 Maintain access to export markets for B.C. forest products

Strategy 2.1.1 **Support certification of forest management activities for the forest industry and the ministry itself (e.g., the Small Business Forest Enterprise Program).**

Business Area 4: Market Access

As the primary steward of the province's forest resources, the ministry has a major role in ensuring that the citizens of B.C. benefit from the commercial use of their forests. This is largely dependent on a strong forest economy and a competitive forest sector. Continued and improved market access for B.C. forest products is needed to help ensure the economic health of the industry.

This Business Area works to maintain and expand international markets for B.C. forest products. These objectives are met by helping remove trade barriers in international markets, including the pursuit of free access for B.C. forest products in the U.S., and by promoting the sustainability of B.C. forest practices. Business Area 4 activities include:

- coordinating the province's role in the U.S. countervailing duty case on softwood lumber,
- providing information on B.C. forest management practices to international buyers,
- assisting companies pursuing certification,
- helping develop international protocols affecting forest management in B.C., and
- monitoring and analyzing matters related to market access, including Kyoto Protocol support.

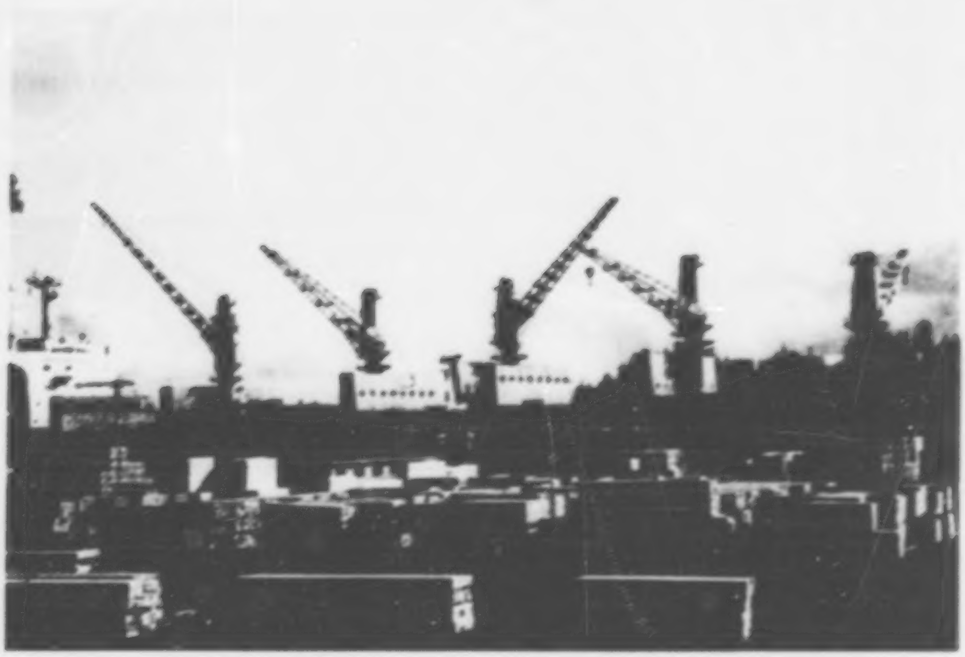
The two main international markets for B.C. forest products are the U.S. and Japan. The provincial government is implementing a $20 million program for forest-sector diversification and international marketing in 2002/03, but lumber sales to the U.S. and Japan still provide a critical economic base for the B.C. forest industry.

2001/02

The Business Area's performance in meeting its objectives is measured by the share of the U.S. and Japanese lumber markets held by B.C. exporters. The targets for 2001/02 were 16 per cent of softwood lumber consumption in the U.S. market, and 49 per cent of softwood lumber imports into Japan.

Despite the uncertainty created by the U.S. countervailing and anti-dumping duty investigations, B.C. lumber producers were able to slightly increase their share of lumber consumption in the U.S., to 17 per cent. With final duties in place, however, the year ahead will be much more difficult.

Continued resistance to green hemlock-balsam and increased competition from other offshore suppliers resulted in B.C. lumber imports into Japan falling slightly short of the target, at 46 per cent.



Business Area 9: Small Business Forest Enterprise Program

Business Area 9, the Small Business Forest Enterprise Program (SBFEP):

- provides opportunities to generate wealth from forest and range resources by selling all available SBFEP timber volume each year, generating revenue to the Crown, and replacing the commercial forest by planting seedlings,
- maintains diversity in the forest sector, providing harvesting opportunities for a wide variety of independent forest enterprises that do not hold long-term tenure rights,
- maintains access to export markets for B.C. forest products by piloting various certification systems for the SBFEP program, and
- demonstrates excellence in forest management practices.

2001/02

Gross SBFEP revenue for the year was $195.5 million, achieving 95.2 per cent of the revised Treasury Board target of $202.4 million. Actual revenues were lower than the target due to slowing of the U.S. economy and the imposition of softwood lumber tariffs.

The SBFEP sold a total volume of 8.960 million cubic metres (m^3) of fibre, achieving 99 per cent of the target of 9.020 m^3. Harvest volume for the year was 9.960 million m^3, which was 108 per cent of the target of 9.200.

The SBFEP planted 30.7 million seedlings, which was 96.2 per cent of the target of 31.9 million. It also assisted in the procurement and shipping of approximately 4 million seedlings to address the ministry's current reforestation obligations (part of Business Area 7: Forest and Range Productivity Improvements).

The Business Area began planning a significant restructuring in 2001/02, in response to direction from the government's Core Services Review to make the SBFEP (to be renamed BC Timber Sales) more commercial and more effective. This transformation includes redefinition of the program vision, mission and objectives, as well as creation of a more independent BC Timber Sales organization within the ministry. Implementation will be completed during 2002/03.

In support of the Canada/U.S. Softwood Lumber dispute, the Business Area was involved in preparing responses and submitting data during this year.

Strategy 2.1.2 Promote achievements in sustainable forest management by the province and forest companies by implementing state-of-the-forests reporting based on criteria and indicators developed for use across Canada, and by conducting an international marketing campaign.

Strategy 2.1.3 Vigorously pursue unfettered market access for B.C. softwood lumber through the removal of trade barriers.

Business Area 4: Market Access

See the report under Strategy 2.1.1.

Objective 2.2 Maintain diversity in the forest sector

Strategy 2.2.1 Provide harvesting opportunities for a wide variety of independent forest enterprises through the Small Business Forest Enterprise Program.

Business Area 9: Small Business Forest Enterprise Program

See the report under Strategy 2.1.1.

Strategy 2.2.2 Provide tenure opportunities for community forests and woodlots under guidelines that encourage innovation in forest management.

Strategy 2.2.3 Evaluate the potential impact of major license transfers on the competitiveness of local timber and forestry contracting markets.

Business Area 8: Tenure Administration

The Business Area's role is to administer all aspects of the timber and range tenure system. The system is a collection of statutes, regulations, the various forms of contractual agreements (i.e., licences and permits), policies and procedures that define and constrain the right to harvest and use the province's timber and range resources, and to occupy Crown land.

The goal of the Business Area is to support a strong and sustainable forest economy, by:

- providing opportunities to generate wealth from the forest and range resources,
- maintaining and improving the quality and quantity of provincial forest and range resources, and
- maintaining diversity in the forest sector.

Tenure administration plays a key role in the ministry's core business of selling the Crown forest and range assets, through the allocation of licences and permits.

2001/02

The Business Area's two performance measure targets, from the ministry's *Performance Plan 2001/02 - 2003/04*, were:

- 90 per cent of timber supply area (TSA) allowable annual cuts (AACs) under a form of tenure (excluding Small Business Forest Enterprise Program tenures), and
- 90 per cent of available animal unit months (AUMs) of forage allocated.

Actual achievements for these measures were 96 per cent and 89 per cent, respectively.

Also in the later part of 2001/02, the Business Area worked on a number of proposals for forest policy change to be implemented through the tenure system. Many of these proposals result from the government's *New Era* commitments to the forest industry, the softwood lumber trade dispute with the U.S., and the Coast Forest Industry Revitalization initiative.

The Business Area played a key role in managing the bark beetle epidemic in the north-central and north-western regions of the province during 2001/02. It is also began developing the defined forest area management proposal, which was initiated out of the Core Services Review.

Range tenure administration is discussed in the timber and range supply, planning and determination (Business Area 3) report under Strategy 1.0.5.

Objective 2.3 Provide opportunities to generate wealth from forest and range resources

Strategy 2.3.1 **Ensure the full allowable annual cut is under tenure and available for timber harvest.**

Business Area 8: Tenure Administration

See the report under Strategies 2.2.2 and 2.2.3.

Strategy 2.3.2 **Sell all available Small Business Forest Enterprise Program timber volume annually.**

Business Area 9: Small Business Special Account

See the report under Strategy 2.1.1.

Strategy 2.3.3 **Ensure that all authorized animal unit months of forage are under tenure and available for range use.**

Strategy 2.3.4 **Continue to evaluate the tenure system to ensure that harvesting and range approval processes operate efficiently and effectively.**

Business Area 8: Tenure Administration

See the report under Strategies 2.2.2 and 2.2.3.

Objective 2.4 Provide a reliable and safe forest road network.

Strategy 2.4.1 Identify critical road access that will remain open and be maintained.

Strategy 2.4.2 Close or restrict access to low-priority roads if funding is not available to maintain them to the standards of the Forest Practices Code.

Strategy 2.4.3 Replace bridges on the basis of their priority for timber harvesting and other access, and either close or post for less-than-full load capacity, those bridges that can not be replaced immediately.

Business Area 6: Forest Road Infrastructure

This Business Area supports the creation and maintenance of an efficient and effective forest road and bridge infrastructure to access timber, range and recreation values for forest resource extraction and the safe use of the public.

The main objectives of the Business Area are to:

- ensure that active Forest Service roads are built and maintained in accordance with the Forest Practices Code,
- ensure that all Forest Service roads not under an active permit are maintained to safe standards for public use,
- mitigate environmental and safety hazards on non-status roads,
- develop standards for Forest Service road and bridge construction maintenance and deactivation for ministry operations, and
- ensure that forest road infrastructure strategies are developed for all engineering activities and for all areas of the province and that they are tied to ministry objectives.

2001/02

The Business Area's two performance measures for this year were:

- the percentage of kilometres of Forest Service roads (12,040) maintained by the ministry to Forest Practices Code standards (excluding permitted roads), and
- the percentage of all Forest Service road bridges (4,971) which are load-restricted and affect industry (includes permitted and non-permitted roads).

The Business Area maintained its share of the Forest Service road network to 80 per cent of Forest Practices Code maintenance standards during 2001/02. This was an increase from 65 per cent achieved in 2000/01. The ministry is obligated to carry out surface maintenance on all of its network, regardless of the level of use, so full compliance is not necessarily a true indicator of its success in protecting the environment. The Business Area used available funds to carry out surface maintenance on the roads that needed a reasonable level of surface maintenance, and did not maintain the rest. For that reason, the Business Area considers 80 per cent compliance a substantial achievement of the objective.

In 2002/03, the Business Area will no longer use this target as an indicator of performance, due to a substantial shift in policy direction within the business area, as described below.

On its second performance measure, the Business Area over-achieved its target of having 85 per cent of Forest Service bridges at full-load capacity, with 89 per cent (i.e., only 11 per cent of Forest Service bridges cannot carry full logging truck weights). An 85 per cent target was established because not all Forest Service roads are industrial, so bridges on those roads do not need to carry industrial traffic. If and when those bridges are required to carry full loads, it is expected that they will be upgraded accordingly. This performance measure will also be discontinued in 2002/03.

As a result of the government's Core Services Review and the restructuring of ministries, the Forest Service will no longer be undertaking the forest road and bridge construction, replacement, or surface maintenance activities included in its *Performance Plan 2001/02 – 2003/04*. The Business Area will transfer these functions to other government agencies, forest-sector companies, or other organizations wherever possible.

Objective 2.5 Maintain and improve the quality and quantity of provincial forest and range resources.

Strategy 2.5.1 Prevent and suppress wildfire to protect our natural resource inventories and investments in the forest land base.

Strategy 2.5.2 Manage insect pest outbreaks and encroachment by invasive alien plant species.

Business Area 5: Protection of Forest and Range Resources from Fire and Pests

The role of this Business Area is to protect forest and range resources (and investments) in and adjacent to the forest and wild lands of B.C. The Business Area works to minimize losses and mitigate future risks to native species from wildfire, insects, disease and invasive alien plants. Protection of forest and range assets is a core function of the ministry.

2001/02

During 2001/02, the Business Area aerial-surveyed 93 per cent of Crown forest, substantially achieving the target of 100 per cent. The shortfall was due to inclement flying weather during the operational flight window, and to not flying over areas of no known disturbance, based on local knowledge.

The Business Area established a baseline of treating 53 per cent of high-priority bark beetle infestation sites in 2001/02. Warm weather conditions favouring high over-winter survival rates resulted in larger numbers of sites to be treated than the available resources could cover. This baseline could be over-achieved in the future, depending on climate conditions.

In addition to its operational forest health goals, the Business Area was also active in implementing new methods of program delivery and planning. New legislation was passed to expedite harvesting of bark beetle-infested wood in areas where harvesting is used to slow the spread of beetle infestations. Criteria were also established for a new biologically based bark beetle strategy, which will be used to allocate bark beetle funding in the upcoming fiscal year. The Business Area also examined the feasibility of using remote sensing to complement the collection of forest health data.

The target goal of treating 3,960 critical invasive alien plant infestation sites was substantially achieved, at 93 per cent (or 3,683sites). The shortfall can be predominantly attributed to insufficient biological control agents (insects) available for release due to poor weather during the insect harvest period. (With this form of treatment, agents are re-collected from earlier release sites and distributed to new areas. Inclement weather at the time of collection reduced harvest efficiency this year.) Biological control of alien invasive plants is used as a treatment for sites that are beyond control by other conventional methods, so alternative treatments are not an option. These sites must remain untreated until the following year, when more agents become available.

The Business Area's goal for containing all unwanted fires at less than 4 hectares through aggressive initial attack was 89 per cent. The success rate in 2001/02 was 93 per cent. Prompt fire detection and rapid initial response were the main contributing factors.

Another goal was to keep the area burned by unwanted wildfires below a five-year average of 45,000 hectares. From 1997 to 2001, the average was 22,760. In 2001/02, the five-year average was 17,096 hectares (actual: 9,763 — see Table 4). This goal was achieved as a result of aggressive attack on fires that escaped initial attack.

The 2001 wildfire season in British Columbia was characterized by a dry weather pattern in the southern third of the province. Areas of traditionally high-fire activity experienced lower fire starts throughout the season. There were 1,267 wildfires (see Table 3), 1,802,676 cubic metres burned (see Table 5), and $53.8 million spent on direct fire costs. The 2001 fire season once again demonstrated the growing interface challenge, as several fires in the southern Interior quickly spread toward residential areas. Aggressive work turned the fires back before homes were damaged, but if strong had winds prevailed, the losses could have been catastrophic.

Table 3: Number and Causes of Wildfires in 2001/02

	Totals All Forest Regions	
Cause	2001/02	10-Year Average
Campfire	155	154
Equipment Use	66	78
Fire Use	161	257
Incendiary	123	107
Juvenile Fire-Setter	78	61
Lightning	479	1,155
Miscellaneous	129	161
Railroads	15	8
Smoker	61	73
TOTALS	**1,267**	**2,054**

Table 4: Area (Hectares) Burned by Wildfires in 2001/02

	Totals All Forest Regions	
Timber	2001/02	10-Year Average
Mature	4,036.1	4,591
Immature	1,431.6	3,111
Other	4,294.8	19,663
TOTALS	**9,762.7**	**27,365**

Table 5: Timber Burned by Wildfires in 2001/02

	Totals All Forest Regions	
Volume of timber burned (m^3)	2001/02	10-Year Average
TOTALS	**1,802,676**	**454,587**

Strategy 2.5.3 **Maintain and enhance the quality and quantity of timber potentially available on Crown lands by implementing the provincial silviculture strategy.**

Strategy 2.5.4 **Improve the quality and quantity of genetic material from natural sources used for reforestation in the province, through selective breeding and by implementing the provincial Tree Improvement Strategy.**

Business Area 7: Forest and Range Productivity Improvements

This Business Area ensures that forest and range resources are improved on a sustainable basis. Selected treatments are used to rehabilitate, reclaim and restore forest-stand structure and forest and range land habitat and health. Timber and forage productivity is increased through silviculture, tree improvement, gene conservation, and range land treatments. Environmental stewardship is supported through the conservation of genetic diversity in forest stands.

Maintaining investment in the forest land base and productivity improvements are the mainstay of this Business Area. Opportunities to secure investment to maintain the annual allowable cut in the long-term, maintain animal unit months (AUMs) of forage, and meet legislative obligations are minimum ministry objectives.

The South Moresby Forest Replacement Account is also associated with this Business Area. In 1988, the governments of Canada and British Columbia established the Gwaii Haanas National Park Reserve/Haida Heritage Site and Gwaii Haanas Proposed National Marine Conservation Area Reserve in the Queen Charlotte Islands. Each government contributed $12 million to create the South Moresby Forest Replacement Account to help offset the resulting reduction in timber supply and the associated loss of forestry jobs. In 2000, the governments signed an extension of the account until March 31, 2007.

2001/02

In 2001/02, the Business Area had two principal performance measure targets:

- volume gain of 360,000 m^3 of timber per year from all ministry reforestation activities expected to be available for harvest in approximately 65 years, and
- volume gain of 1.301 million m^3 of timber per year from all tree improvement activities expected to be available for harvest in approximately 65 years.

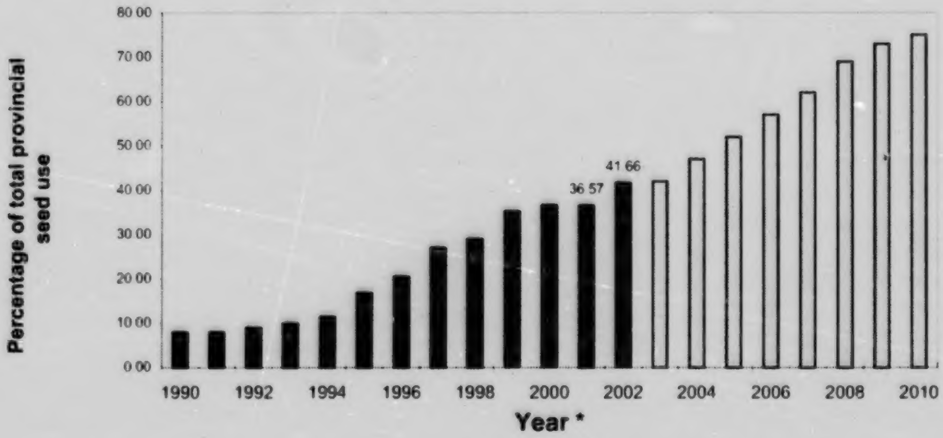
The first target was substantially achieved, at 327,900 m^3. This is calculated using the actual area planted, measured to the nearest 10,000 hectare at the district level, and an estimated average yield projection derived from the available growth and yield tables.

The Business Area over-achieved the second target, reaching 1.847 million m^3 due to an increase in select seed production and use. The result was a calculated figure based on the percentage of select (orchard) seed used (see the graph following), the hectares planted, and the growth and yield projections.

Other accomplishments during this year included:

- maximizing the growing potential of denuded sites for full contribution to the timber supply,
- ensuring that 5 per cent of all backlog and incremental silviculture treatments had a primary or secondary objective of improving wildlife habitat or biodiversity,
- visual inspection of approximately 10 per cent of backlog reforestation and stand-tending fieldwork to confirm work quality and achievement of stewardship objectives,
- mechanically treating, burning and harvesting range land to minimize range loss, and
- allowing the reduction of range capacity/forage by no more than 1 per cent per year from current levels.

Actual and Projected Use of Select Seed (1990 - 2010)



* Seed use based on information from the 2002 Seedling Extraction from the Seed Planning and Registry (SPAR) Information System and analyzed by the Species Plan Information Reporting (SPIR) tool. Data extracted May 1, 2002 and November 26, 1999 (for years 1994 to 1999).

Under direction of the Core Services Review, the Forest Service will discontinue management of tree seedling nurseries by 2003/04. Ministry nurseries will be offered to the private sector, and ministry seed orchards will be closed or leased to the private sector. Ministry seed orchards currently provide approximately 50 per cent of the genetically improved seed used annually in Crown land planting in B.C.

During this fiscal year, no expenditures were made from the South Moresby Forest Replacement Account, as delivery model options were under review.

F6

The Forest Investment Account, established on April 1, 2002, is a provincial government funding mechanism for promoting sustainable forest management in B.C. It represents a shift from public- to private-sector stewardship. By March 31, 2005, the ministry will also no longer deliver contracts for forest and range productivity improvements. Under the new account delivery model, programs such as backlog and stand tending will be delivered directly by industry with very little involvement from the Forest Service. Forest companies will be required to maintain high standards and ensure sustainability. The Forest Service will conduct audits to ensure that standards are met and that forest assets are protected. Enforcing standards will be one of the key priorities of the ministry.

GOAL 3 All British Columbians Benefit from the Sustainable Use of Their Forests

Objective 3.1 Ensure that the public receives fair value for the use of its forest and range resources.

Strategy 3.1.1 Ensure that timber and range resources are being priced appropriately within the current pricing policy framework.

Strategy 3.1.2 Evaluate market-based pricing for the coast and implement changes to the current comparative value pricing system if the market system proves to be more effective.

Strategy 3.1.3 Ensure that the full amount of revenue owed to the Crown is collected.

Business Area 12: Revenue

The role of the Revenue Business Area is to:

- determine revenue in a systematic and equitable manner,
- identify and claim revenue completely, accurately and promptly,
- record revenue promptly and accurately, and
- treat licensees fairly and equitably.

Pricing and selling forest assets is a core function of the ministry, which is delivered in part by the Business Area in branches, regions and districts through timber pricing, cruising, scaling, residue and waste, invoicing and revenue controls.

Revenue collection, and with it, Strategy 3.1.3, was transferred to the Ministry of Provincial Revenue during 2001/02.

2001/02

Revenue for the year was $1.164 billion (see Table 6), substantially achieving the target of $1.183 billion. Actual revenue was a bit lower than the target due to some slowing of the U.S. economy and the imposition of softwood lumber tariffs on U.S.-bound lumber.

Check scale performance targets were also substantially achieved. The check scale performance for 2001/02 was 77 per cent. This represents a 91 per cent achievement of the target set for 2001/02, which was 85 per cent.

The volume of unbilled scale target set out in the ministry's *Performance Plan 2001/02 – 2003/04* was 800,000 m^3. This was achieved. This target reflects what scale volumes were submitted for billing, but have not been invoiced, for a variety of reasons. Maintaining acceptable levels of unbilled scale corresponds directly with the responsibility to identify and claim revenue completely, accurately, and promptly. Achieving the performance target required effort from throughout the Business Area during a particularly challenging time when the ministry was undergoing transformation following the Core Services Review.

For much of 2001/02, the Business Area was heavily involved with the Canada/U.S. Softwood Lumber dispute through preparing responses to questionnaires from the U.S. government, verifying the submitted data, and supporting trade talks throughout the year.

Progress was made on implementing a Market Pricing System on the Coast, as part of the Coast Hemlock Strategy. In March 2002, a new Draft Coastal Market Pricing model was released, and the ministry and Coastal licensees began exploring and refining it for potential application to all Coastal timber.

Throughout the year, the Business Area also continued to refine stumpage calculations and processes to help deal with the bark beetle epidemic in the north-central Interior.

In February 2001, the Business Area launched the Harvest Billing System Project. This project will rebuild the stumpage invoicing system — using an Internet-based approach with the forest industry — over three years. By allowing ministry staff, the forest industry and the public to access invoices and harvest data on the Internet, the project will make the Business Area much more efficient.

Table 6: Revenue in 2001/02 (Unaudited)

Forest Region	Cariboo	Kamloops	Nelson	Prince George	Prince Rupert	Vancouver	Victoria	Totals
Category	($000)							
Major Licensee Stumpage	$115,198	$168,292	$66,818	$323,546	$78,760	$188,661	$4,632	$945,907
Harvesting Rents and Fees	1,865	1,770	1,329	3,903	2,059	5,811	(102)	16,635
Small Business Forest Enterprise Program	30,145	38,562	23,458	60,135	16,219	27,036	(53)	195,502
Export	1	3	48	(10)	316	2,520	8	2,886
Range	734	820	198	376	85	3	—	2,216
Waste	1	25	19	22	33	796	—	896
Penalties	0	10	9	20	53	238	—	330
Interest	136	309	214	1,430	2,100	881	751	5,821
Miscellaneous	68	213	250	240	101	500	65	1,437
Doubtful Accounts Allowance	—	—	—	—	—	—	(7,500)	(7,500)
TOTALS	**$148,148**	**$210,004**	**$92,343**	**$389,662**	**$99,726**	**$226,446**	**($2,199)**	**$1,164,130**

Major Licensee Stumpage and Small Business Forest Enterprise Program include amounts transferred to Forest Renewal BC (i.e., gross revenues).

Totals may not add due to rounding.

Objective 3.2 Involve British Columbians in resource management planning in a meaningful way.

Strategy 3.2.1 Assess how effectively the ministry's current public involvement strategy for land use and operational planning identifies and addresses public concerns.

Business Area 2: Land-Use Planning

The functions of this Business Area were moved to the Ministry of Sustainable Resource Management (MSRM) early in the 2001/02 year. Performance is therefore not reported in this report. For information on land-use planning performance, refer to the MSRM web site at: www.gov.bc.ca/srm/

Objective 3.3 Provide the opportunity for people and communities, including First Nations, to use B.C.'s forests to satisfy their social and cultural needs.

Strategy 3.3.1 Implement a Recreation Program strategy on provincial Crown lands outside of parks which maximizes recreation site availability and quality, given available funding.

Strategy 3.3.2 Manage scenic landscapes to ensure that the levels of visual quality desired by British Columbians are achieved in all scenic areas.

Business Area 1: Forest and Range Practices

Scenic quality landscape objectives are incorporated into forest practices regulation, addressed under Strategies 1.0.1 and 1.0.2.

Business Area 10: Recreation and Non-Timber/Non-Range Resources

The roles of this Business Area are to manage recreation and non-timber/non-range (NT/NR) resources, including botanical forest products, and to provide social and economic recreation and NT/NR resource opportunities on provincial forest lands.

The Business Area:

- manages a network of recreation sites, trails and interpretative forest sites,
- administers an efficient user-fee system to partly offset the cost of maintaining the recreation facilities,
- builds and fosters partnerships with other sectors, including user groups, commercial operators, and forest companies, to co-operatively manage recreation facilities,
- plans for recreation values and opportunities, and
- maintains a province-wide inventory of recreation features, settings and facilities.

2001/02

The performance measure target for managed campgrounds for 2001/02 was 1,018. The actual total was 1,139 because of the inclusion of day-use areas and cabins.

Approximately 1,028 campgrounds were maintained to a basic level, substantially overachieving the target of 522. The factors that made this possible were lower-priced maintenance contracts, and volunteered services.

The number of campgrounds maintained to an enhanced level was 32, which was the target.

In February 2002, the Business Area began implementing the government's Core Services Review decision, to divest responsibility for managing Forest Service campgrounds to other parties.

Strategy 3.3.3 **Fully meet its obligations to consult First Nations about their cultural needs relating to public forests, and avoid unjustified infringement of aboriginal rights.**

Business Area 11: First Nations

The Business Area works to provide stability on the land base for forest and range tenure-holders, by ensuring that the ministry consults with First Nations in a manner consistent with legal decisions and the Constitution. The Business Area is responsible for:

- consulting with First Nations on forest and range development,
- developing policy as it relates to ministry operations and First Nations issues, and
- providing support to the Treaty Negotiations Office through the ministry's participation in treaty and interim measures negotiations.

2001/02

Performance in this Business Area is measured by the number of formal treaty negotiations or other co-operative processes with which the ministry is involved with First Nations. This includes relationships with Bands that are formally in the treaty process, Bands with which the ministry has a formal interim measures, protocol or economic development agreements, or Bands with which the ministry has ongoing two-way consultation.

Under the ministry's *Performance Plan 2001/02 – 2003/04*, the Business Area's objective was to be involved in formal treaty negotiations or other co-operative processes with 132 Bands in the province. Due to the prevalence of forestry activity across B.C., the Business Area has developed relationships with nearly all 196 Bands. The performance measure target of 216 negotiations or processes was over-achieved, at 217. (The number of processes is higher than the number of Bands because adjacent forest districts are sometimes involved in separate processes with the same Band.)

The Business Area's work during the year included:

- ongoing consultation on forest and range development with First Nations, including implementation of interim measures agreements with the Kaska Dena Tribal Council, the Tsay Keh Dene Band, Cowichan First Nation, Ditidaht/Pacheedaht First Nations, and the Huu-ay-aht First Nation,
- support for negotiations with First Nations, including the Sliammon, the Nisga'a Tribal Council, the McLeod Lake Indian Band, the Gitanyow Tribal Council, the Carrier Sekani Tribal Council, the Ditidaht/Pacheedaht First Nations, the Sechelt Indian Band, the Haida Nation, and the Cowichan First Nation, and

- support for the Forest Technician Training Program, which has been a successful training partnership since 1996. To date, more than 90 First Nations students have been through the program (19 in 2001/02). Past students are currently placed in permanent positions with their mentor companies, or have started their own forest businesses, pursued further training in the natural resource sector, or are pursuing a Registered Professional Forester designation. (Ministry support for the program ended at March 31, 2002.)

During 2001/02, the Business Area also participated in the development of capacity-building programs to help First Nations workers enter the forest sector. However, as a result of the Core Services Review, program development is no longer a part of the ministry core mandate, although the Business Area continues to be responsible for consultation activities and negotiation support to the Treaty Negotiations Office.

GOAL 4 Be an Effective Sustainable Forest Manager

Objective 4.1 Be a first-choice forest-sector employer.

Strategy 4.1.1 **Implement a new Human Resources strategy that incorporates succession planning and equity and diversity initiatives to attract and retain highly qualified staff.**

Strategy 4.1.2 **Implement a broad training and leadership program to improve the ministry's ability to respond to the changing environment in which it operates.**

Business Area 13 — Human Resources

This Business Area provides a diverse and productive workforce to support the ministry in achieving its strategic goals. Its work includes Human Resources planning, management and evaluation, training and development, recruitment/staffing, diversity initiatives, compensation and salary administration, employee and labour relations, safety, occupational health and accident prevention, wellness programs, Human Resources information systems and technical information resources.

2001/02

The Business Area had four performance measure targets during this year which directly or indirectly link to ministry goals and strategies. Targets and performance were as follows:

- The percentage variance from the public service average (PSA) usage of the Short-Term Illness and Injury Program (STIIP) confirmed that the ministry's usage exceeded the target of 25 per cent below PSA. The ministry's average was 5.8 days a year, or 36 per cent lower than the PSA of nine days a year.
- Filling 100 per cent of critical vacancies within six months was not achieved (49 per cent) due to a staffing freeze effective August 2002, in preparation for government downsizing.
- The percentage difference between the ministry's representation of the four designated groups compared to similar private-sector employers in the forest industry was partially met. The ministry exceeded private-sector comparators of women and persons with disabilities by 4 per cent and 13 per cent, respectively. Visible minorities and aboriginal persons were under-represented by 64 per cent and 18 per cent, respectively. Inability to recruit from designated groups due to the staffing freeze was a key factor.

- The percentage of ministry staff with up-to-date performance planning and review documents was substantially achieved. The target was 80 per cent. At year end, 66 per cent of all employees had an up-to-date performance review in writing.

The Business Area started work during 2001/02 on a three-year Human Resources Strategic Plan for 2002 to 2005. This comprehensive strategy will address all key elements connected to the ministry's Service Plan, and complement two other government-wide corporate Human Resources initiatives: the Public Service Renewal, and Excellence in Public Service.

Also this year, as a result of the Core Services Review and budget reviews, the Business Area launched Phase 1 of its Workforce Adjustment Strategy, identifying 381 positions as surplus. The Voluntary Departure and Early Retirement Incentive programs were well-received in the ministry: 278 employees had taken advantage of the programs by the end of the year.

Objective 4.2 Fully implement performance planning and budgeting in the ministry.

Strategy 4.2.1 Enhance the effectiveness of its strategic planning by fully integrating ministry strategic direction with the internal business planning and budget cycles.

Objective 4.3 Ensure that ministry business practices meet the highest standards.

Strategy 4.3.1 Improve business processes by expanding implementation of the Continuous Improvement Initiative (CII) across the ministry.

Strategy 4.3.2 Increase the effectiveness and efficiency of administrative functions by implementing best practices across the organization.

Objective 4.4 Maximize the benefits derived from the application of technology to ministry business.

Strategy 4.4.1 Develop and implement a three-year Information Management and Technology Strategy to guide capital investment in technology and improve business processes.

Business Area 14: Corporate Governance

This Business Area supports the ministry becoming a more effective organization by setting strategic direction, integrating performance management into ministry business, continuously improving business processes (through the CII), and using best practices for corporate governance, including financial and administrative frameworks, corporate communications, and a corporate strategy on information management.

2001/02

The Business Area had three performance measure targets for 2001/02. Under the first, which was to achieve 100 per cent of corporate performance measure targets in the ministry, 93 per cent were substantially achieved or achieved. This indicates that the ministry has begun effective integration of strategies and performance measures at both the corporate and Business Area levels. Direct linkages between resource allocations and Business Areas were also introduced in 2001/02. This work provided effective direction to the ministry on strategies and outcomes, which was also used to support the Core Services Review process.

The Business Area met its second target — of implementing 12 business process improvement projects — by providing improvements in:

- human resources practices in staffing and job classification functions (2 projects),
- the litigation business process (1 project),
- contract advertising and posting of bid results, using the BC Purchasing Commission's BC Bid system (1 project),
- implementing the Corporate Electronic Leave Form, which simplifies the leave approval and routing process and creates an electronic audit trail (1 project), and
- implementing the Payroll Administration Manual, contributing to cross-government standardization in payroll practices and reduced training costs as staff move among ministries (1 project).

In six other projects, more than 800 staff were trained in continuous improvement (CI), change management, and team and leadership development skills in the first phase of a five-year investment in CI. The training was done in all six forest regions.

During 2001/02, the ministry was supported by considerable corporate information management and information technology services, including applications development, maintenance, training services, evaluation and implementation of new technologies, data administration, and other information management infrastructure.

The ministry's performance measure target for information management in its *Performance Plan 2001/02 - 2003/04* was the estimated number (millions) of web site visits per year by external visitors. The Forest Service maintains one of the largest, best used forestry web sites in existence, and this measure was chosen to track the ministry's objective of increasing electronic interaction with clients and the public.

The target for 2001/02 was 2.2 million visits. The actual number was 1.8 million. The number of visits was lower than projected as a result of the transfer, midway through the year, of advertised contract opportunities from the ministry site to the central B.C. Purchasing Commission's BC Bid site.

In the ministry's *Service Plan 2002/03 - 2004/05*, this performance measure was changed to more directly reflect the objective and target of providing major client services electronically. In 2001/02, 10 per cent of client services were provided electronically. The expectation is that timber scale data, appraisal information, and seedling requests for the 220 million seedlings planted each year in the province will all be transmitted electronically by means of systems being developed.

Report on Resources

2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Regulation of Forest and Range Practices	$31,835	—	$31,835	$31,522	$312
Timber and Range Supply, Planning and Determinations	12,850	—	12,850	12,843	7
Market Access	13,100	—	13,100	13,355	(255)
Protection of Forest and Range Resources from Fire and Pests (Total)	**153,477**	—	**153,477**	**120,874**	**32,603**
• **Fire Suppression**	131,005	—	131,005	98,528	32,477
• **Bark Beetle (Incremental)**	9,881	—	9,881	9,761	120
• **Forest and Range Health**	12,591	—	12,591	12,585	6
Forest Road Infrastructure	20,077	—	20,077	19,984	92
Forest and Range Productivity Improvements (Total)	**24,872**	—	**24,872**	**19,759**	**5,114**
• **South Moresby Forest Replacement Account**	4,503	—	4,503	—	4,503
• **All others**	20,369	—	20,369	19,759	611
Tenure Administration	25,124	—	25,124	24,940	184
Small Business Special Account[1]	131,679	$(1,755)	129,924	129,924	—
Recreation and Non-Timber/ Non-Range Benefits	7,572	—	7,572	7,524	48
First Nations	8,879	—	8,879	8,715	164
Revenue[2]	23,559	—	23,559	26,019	(2,460)
Human Resources	10,863	—	10,863	10,661	202
Corporate Governance	35,754	—	35,754	32,759	2,994
Research	13,636	—	13,636	13,847	(211)
Compliance & Enforcement	25,716	—	25,716	25,682	34
TOTALS	**$538,993**	**$(1,755)**	**$537,238**	**$498,408**	**$38,830**

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[1] Small Business appropriation is revised at fiscal year end to reflect dividend to Consolidated Revenue Fund.

[2] Over-expenditure reflects statutory requirement under the FAA for interest to be paid in respect of decisions of the Forest Appeals Commission and courts on stumpage appeals.

	Estimated	Other Authorizations	Total	Actual	Variance
Full-Time Equivalents (FTEs)					
TOTALS	**4,083**	—	**4,083**	**3,850**	**233**
Ministry Capital (Expenditures) ($000)					
Information Systems	$10,600	—	$10,600	$7,230	$3,370
Other	7,457	741	8,198	11,061	(2,863)
TOTALS	**$18,057**	**$741**	**$18,798**	**$18,291**	**$507**
Consolidated Capital Plan Expenditures ($000)					
Purpose	—	—	—	—	—
Other Financing Transactions (Net Disbursements) ($000)					
Small Business Forest Enterprise Program	$17,180	$409	$17,589	$17,589	—
TOTALS	**$17,180**	**$409**	**$17,589**	**$17,589**	—

MINISTRY OF HEALTH PLANNING

A NEW ERA UPDATE

BRITISH COLUMBIA
Ministry of Health Planning

2001/02
ANNUAL
REPORT

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Health Planning.
Annual report. – 2001/02-

Annual.
"A new era update."
Report year ends Mar. 31.
Continues in part: British Columbia. Ministry of Health and Ministry Responsible for Seniors. ISSN 1499-0350
ISSN 1703-4477 = Annual report - British Columbia. Ministry of Health Planning

1. British Columbia. Ministry of Health Planning - Periodicals. 2. Health planning – British Columbia – Management – Periodicals. 3. Health promotion - British Columbia – Periodicals. 4. Medical policy - British Columbia – Periodicals. I. Title. II. Title: Ministry of Health Planning annual report.

RA185.B7B74 353.6'09711'05 C2002-960151-7

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Published by the Ministry of Health Planning

INTRODUCTORY NOTE – A YEAR IN TRANSITION

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

ACCOUNTABILITY STATEMENT

The 2001/02 Ministry of Health Planning Annual Report was prepared under my direction, and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Honourable Sindi Hawkins
Minister of Health Planning
June 28, 2002

MESSAGE FROM THE MINISTER OF HEALTH PLANNING

I am pleased to present the 2001/02 Annual Report: A New Era Update for the Ministry of Health Planning.

Our government created the Ministry of Health Planning in June 2001 to focus on long-term planning to save and renew our public health care system. In less than a year, the ministry has taken significant steps to address challenges facing B.C.'s health system and to move from an uncoordinated, fragmented system to one that is patient-centred, sustainable and accountable to the public.

We are working closely with health care providers and other partners to act on their ideas for maximizing the value of every health care dollar spent. Last year, the Premier hosted a Dialogue on Health with 140 health professionals, administrators, and other experts to identify new solutions to improve health care. As well, the Legislature's Select Standing Committee on Health held hearings in 10 communities and received 700 submissions from across the province, which were incorporated in its December 2001 report on renewal and reform of health care.

Across Canada, many provinces are facing the challenges of a health care system in need of change. Innovative studies addressing these issues include the Mazankowski Report in Alberta, the Fyke Report in Saskatchewan and the Clair Report in Quebec. The federal government has also initiated the Romanow Commission and the Senate Standing Committee on Health, Science and Technology to evaluate the status of health care in Canada.

Clearly, it is time to move from analysis to action. The ministry set to work immediately planning long-term strategies for health human resources, health infrastructure, information technology, and rural and remote health initiatives.

In December 2001, the Ministry of Health Planning announced an improved governance model that streamlined and reduced the number of health authorities from 52 to six. This has resulted in reduced duplication of services and increased efficiency, and has provided the health authorities with the ability to redirect resources to patient care. The new health authorities have now established three-year health service redesign plans to reform and renew health services for patients in each region. Three-year rolling funding commitments were provided in the budget in 2002 to enable the health authorities to plan ahead and provide the health services that their communities need most.

The Ministry of Health Planning, together with the Ministry of Health Services, also established provincial access standards and guidelines for emergency, acute care and specialty services. These standards and guidelines will ensure patients in every part of the province have access to equitable, high quality health services. Performance agreements were developed to hold health authorities accountable for delivering quality care. The agreements define expectations and deliverables for patient care in B.C., and the health authorities are expected to meet these targets.

We are also working with health authorities to implement Primary Health Care Renewal that will improve access to primary care services, patient satisfaction and health outcomes. This new model coordinates the services of doctors, nurses and other health care providers to meet patients' unique needs. Over the long-term, Primary Care Health Renewal will enhance access to assessment, treatment and ongoing care.

Other accomplishments this year include implementing a $21-million Nursing Strategy. This strategy is part of the ministry's long-term health human resources plan to provide support and education for nurses, and to improve workplace conditions. Initiatives include training for nurses in rural and remote areas of B.C., specialty certification training, $15 million for the purchase of hospital beds and patient lifts, bursaries for nurses to return to the health system, and funding to help foreign-educated nurses enter the nursing profession in B.C.

The ministry also hired B.C.'s first Chief Nurse Executive in September 2001 to provide leadership and advice on issues related to nursing. The Nursing Strategy is vital for educating, recruiting and retaining the nurses we need to ensure high quality health services for British Columbians.

Our vision for B.C.'s health care system is the provision of high quality public health care services that meet patients' needs, where they live and when they need them. We believe that we can achieve our vision by working with our health care partners to address the challenges we face and develop innovative solutions for building a better health care system for the future.

Sindi Hawkins

Honourable Sindi Hawkins
Minister of Health Planning

MESSAGE FROM THE DEPUTY MINISTER

I am pleased to present the 2001/02 Annual Report of the Ministry of Health Planning. The past fiscal year has been a year of transition - and a year of facing challenges, developing innovative solutions, and creating a new vision for B.C.'s health care system. Our health care system faces challenges on a number of fronts, and these are not unique to British Columbia. These include addressing critical skills shortages and staffing levels of health professionals, cost pressures on our health care system, and the increasing demand for health services due to a growing and ageing population. These challenges are being felt in communities and provinces across Canada.

To address these challenges, the former Ministry of Health was reorganized, and a new ministry focusing on health planning was created. The Ministry of Health Planning and the Ministry of Health Services are now working closely on innovative ways to build a sustainable health system for the future. The number of health authorities has been reduced, from 52 to six, to achieve greater efficiency so resources can be redirected to patients. These newly created health authorities have now established three-year health service plans to reform and renew patient services for each region. As well, performance agreements have been established to ensure health authorities are accountable for fulfilling their duties and providing patient care that meets British Columbians' needs. This fundamental restructuring has allowed the creation of organizational structures, which enable us to work closely together with the health authorities to plan the much needed change in our health care system.

As you will see from this report, along with these significant structural changes, there has been an enormous amount of work done and goals accomplished during this year of transition. Our achievements have been focused on the need to ensure all citizens in every part of the province have access to high quality health services across the continuum of care. In addition, we are building a comprehensive culture of accountability for the work we do in government and the work done by our colleagues in the health sector.

Our achievements are due in a large part to the dedication, commitment, and extraordinary contributions of our staff, health authorities and health care partners. Our progress to date has already positioned us to better meet the needs of our citizens in the area of health care.

Penny Ballem, MD
Deputy Minister

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SETTING THE CONTEXT FOR CHANGE

2001/02 was a year that signalled the beginning of a new era in the management of B.C.'s public health care system. The stage was set for sweeping changes required to renew the system, and to help British Columbians in their efforts to maintain and improve their health.

Those changes are affecting the way services are delivered in a very real way. It is important for British Columbians to understand reasons for the changes they see taking place in their communities.

In the recent past, our health system has been under constant pressure to treat more people, expand services and increase wages to service providers. New technology, drugs and surgical procedures bring the promise of better health outcomes and fuel increased public demand for services. The government provided more than $1 billion in new funding to the provincial health budget in 2001/02, and yet, there seems to be unlimited demand for more.

British Columbians are asking, "if we're having trouble meeting demands now, how will we afford health care in the future?"

In fact, the problems we face today are not new, and British Columbia is not alone in this struggle. In 2001, the federal government announced a national commission on the future of health care in Canada, headed by Roy Romanow. The commission will make recommendations on how to sustain a publicly funded health system that balances investments in prevention and health maintenance with those directed to care and treatment.

The Romanow Commission is not the first of its kind. Governments have been searching for solutions through a series of health care reviews including: Alberta's Mazankowski Commission, Saskatchewan's Fyke Commission, Quebec's Clair Commission and the federal Kirby Commission.

In British Columbia in 2001, two comprehensive provincial reviews were undertaken, which helped provide the framework for change. The first of these, the Fiscal Review, examined the province's finances. The second, called the Core Services Review, examined all government programs and services.

Throughout the year, consultations on the health system were held. The Premier's Dialogue on Health was a forum which brought together 140 health care professionals, administrators, patients, community leaders, union representatives, other experts from across British Columbia and Canada, and members of Cabinet, to identify solutions for saving and renewing public health care and protecting patient care. The Legislative Assembly Select Standing Committee on Health received 700 submissions and held hearings around the province to involve the public in the discussion.

These reviews and consultations confirmed that B.C.'s health care system is facing a wide array of challenges to its long-term sustainability. Three key issues were identified: growing demands on publicly funded services, structural barriers which impact patient care, and a need for better planning and stronger accountability to patients and taxpayers.

Demands on B.C.'s Publicly Funded Services

British Columbians are among the healthiest people in the world, with relatively high life expectancies – 76.5 years for men and 81.4 years for women. However, as our population ages and grows, it uses health services at increasingly higher rates.

The 'demand' drivers for health services are:

- Population growth
- An aging population
- New technology and drugs
- The patterns of disease

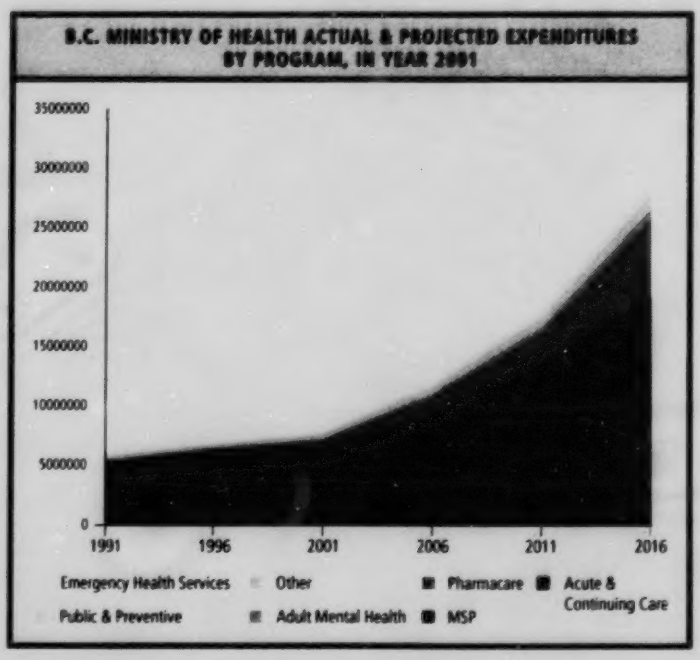
Generally, annual population growth in B.C. is in the range of one per cent, however growth in the 80- to 85-year age group has exceeded six per cent in recent years. Changing demographics will continue to have significant implications for the system, particularly as our baby boomers age.

Public expectations are also rising, along with the availability of new technologies and advancements in medical procedures. In many cases, those new technologies allow more services to be delivered safely to more patients. For example, the coronary by-pass surgery rate for seniors has risen 51 per cent in the last 10 years, in part because improvements in this type of surgery have allowed a wider range of patients to benefit from it. New developments in treatments, drugs and diagnostic procedures are typically expensive, and are hitting the market with increasing regularity. The budget for cancer drugs has increased by almost 250 per cent in the last six years. The challenge is to ensure the public system makes the best use of technology, based on patient need and the best evidence about the impact of the technology on patient outcomes.

B.C.'s health care professionals and support workers are among the highest paid in the country. The worldwide shortages of health care professionals will continue to exert pressure on the system. Labour accounts for approximately 80 per cent of health care costs for services delivered in hospitals and through community programs.

Health care costs in B.C. have been growing three times faster than the growth rate of the economy. Pharmacare costs have been rising at a rate of roughly 15 per cent per year in recent years.

The graph shows where the province's health care costs would have been headed without change. B.C.'s health care system, if left to expand according to historical experience and demographic trends, would


B.C. MINISTRY OF HEALTH ACTUAL & PROJECTED EXPENDITURES BY PROGRAM, IN YEAR 2001

have increased at a rate of approximately 6.5 per cent per year.

Structural Barriers

A number of structural barriers must be eliminated and business arrangements improved to support high quality, sustainable patient care.

Emergency wards in acute care hospitals are the safety net for the system but are frequently used where less expensive care could be provided. Services delivered through hospitals are among the most expensive in the system, and are not always the most appropriate care for patients. Prevention initiatives and alternative community services such as hospice have traditionally had difficulty competing with demand for immediate cures. This means missed opportunities for breaking the cycle of over-reliance on hospital care.

Health care professionals require improved access to **patient information** as patients move through different parts of the system. Poor information can lead to gaps, duplication and variation in quality of services provided.

As well, **traditional methods of compensation** may not encourage the most effective system of care. For example, the fee-for-service system for physicians emphasizes the volume of services rather than continuity of care. The ministries are working with physicians to identify better alternatives.

Health authorities provide many of the services British Columbians think of when considering health care: acute care, residential care, mental health and public health services. Previously, 52 independent health authorities provided those services to British Columbians. The result was a cumbersome and inflexible system, difficult to manage, with overlapping responsibilities and minimal accountability to the public. Many regions were simply too small, lacking a sufficient population base to provide a broad range of quality services.

In addition to these structural barriers, **federal contributions** to health spending in B.C. fell significantly behind the increased costs of health care borne by the province.

Need for Better Planning and Accountability

At the provincial level, there was insufficient focus on the critical functions of long-term strategic human resource planning and long-term planning for capital facilities and information technology needs. There was too much emphasis on dollars spent and too little attention paid to whether particular expenditures improved patient care. As well, the accountability relationship between health authorities and government was weak.

Recognizing the problems in such a large and complex system was an important first step towards improving it. The next step was to plan new approaches and start implementing them. The following sections highlight the changes and accomplishments of the past year.

RENEWING HEALTH CARE—A YEAR OF CHANGE

New Roles and Mandates

One of the first tasks to achieve change was to restructure the system—to build a framework to guide and support the envisioned renewal and sustainability of the system.

In June 2001, the former Ministry of Health and Ministry Responsible for Seniors was restructured into two ministries—the Ministry of Health Planning and the Ministry of Health Services—to reflect the priority government places on a planned and accountable system. While both ministries provide overall leadership and direction for the health system, the Ministry of Health Planning was created specifically to address long-term planning for health services.

The Ministry of Health Services is responsible for implementing performance expectations and monitoring results for health authorities, and planning and administering the Medical Services Plan, Pharmacare and the Ambulance Service.

In December 2001, health authorities were reduced from 52 to six, setting the stage for a consolidation of services and the establishment of provincial accountability mechanisms. This includes service standards and performance agreements to be implemented in the 2002/03 fiscal year.

The breakdown of the ministries' and health authorities' mandates and functions is as follows:

Ministry of Health Planning

Mandate to develop and articulate expectations of health system performance and monitor the health of British Columbians.

Functions:

- Report on population health and respond
- Plan
- Develop legislation, policy, standards and other performance management tools

Ministry of Health Services

Mandate to fund, monitor and evaluate health system performance against clearly stated expectations.

Functions:

- Fund and direct health authorities
- Monitor and evaluate health authority performance and respond
- Operate Pharmacare and Medical Services Plan
- Provide emergency services (B.C. Ambulance Service)

Health Authorities

Mandate to effectively and efficiently manage and deliver a range of health services, including acute and hospital care, home and community care, mental health, addictions and public health services.

Functions:

- Deliver and manage patient services
- Develop and report on patient and management outcomes
- Facilitate community input

MINISTRY RESTRUCTURING – REFOCUSING ON PRIORITIES

In January 2002, the Ministry of Health Planning and the Ministry of Health Services announced further structural changes to enable the ministries to refocus on setting overall policy and direction and monitoring performance.

The health planning ministry was created to provide a stronger focus on, and sustained effort toward, long-term planning for health services. There are three divisions under the new ministry structure. The Strategic Change Initiatives Division oversees specific projects designed to improve service quality, access and efficiency—for example, specific primary care projects planned for implementation in 2002/03. The Planning, Policy and Legislation Division works with health care partners in developing long-term plans, standards and a broad accountability framework for the health system. Responsibility for the health and wellness function was realigned with the Office of the Provincial Health Officer and transferred to the Ministry of Health Planning to renew efforts for developing strategies for disease prevention.

The health services ministry was restructured to align its organization with its new mandate, and established review and planning processes for devolving most remaining direct care services to health authorities. For example, Addictions Services will be transferred to the health authorities in 2002/03. The many divisions and programs in the ministry were reconfigured to support core business functions. Some offices were consolidated and some lower priority services were discontinued. The operational functions of Pharmacare and the Medical Services Plan were transferred to the Corporate Services and Financial Accountability Division, while the policy responsibilities were transferred to the newly created Medical and Pharmaceutical Services Division.

These decisions are consistent with the provincial government's priority to target spending on maintaining the delivery of direct patient services. Overall, these strategic shifts will result in reductions of more than 40 per cent in some corporate and program management budgets for both health ministries. The associated savings will help fund patient care.

Health Authority Restructuring—Focusing on Patient Care

As part of its strategic planning role, the Ministry of Health Planning took on the difficult task of restructuring health authorities. The previous regional governance structure was the most complex in Canada. With 52 health authorities, it was difficult to manage and had lost its focus on patient care.

The large number of separate health regions set up artificial barriers. For example, Kelowna and Vernon share many resources such as an airport, university-college, TV station and even a phone book. But they did not share a health region, even though hundreds of people from Vernon are treated at Kelowna General Hospital.

To make operations more efficient and accountable to patients and government, 15 health service delivery areas were established to reflect natural patient referral patterns. Five governing authorities—responsible for planning and co-ordinating services across the 15 health delivery areas—were created. Dividing the province into five geographic health authorities provides enough of a population base and budget in each to offer a full range of services, and provides opportunities for economies of scale.

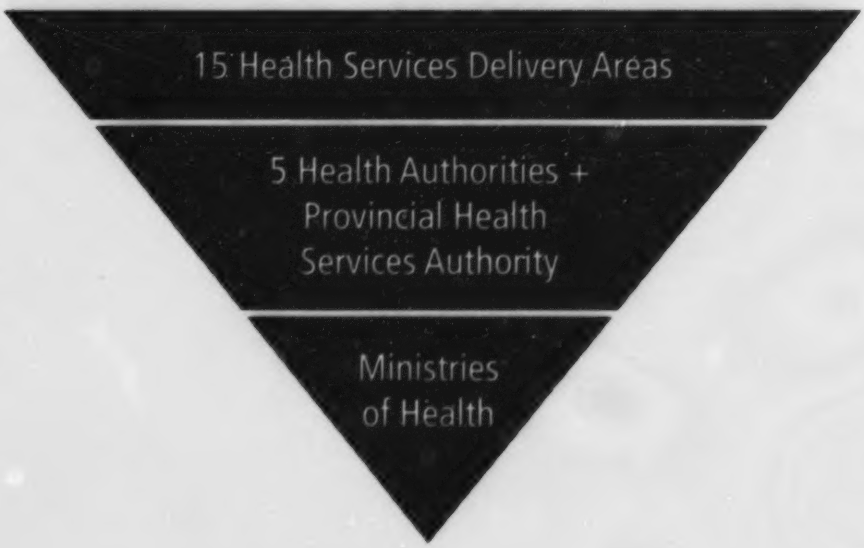
The ministry also established a Provincial Health Services Authority. This authority coordinates and delivers highly specialized services that can't be offered in all regions. It is also responsible for facilitating the coordination of provincial initiatives, which will improve access to care.

Changing the structure is only the first step. The ministry has also changed how health authorities are funded. Instead of funding for one year, health authorities receive three-year budgets so they can plan ahead. A new population-based funding model was also developed in 2001/02 for implementation in 2002/03. The model takes into account the characteristics of the regions' population and its associated health needs, with the aim of ensuring fairness and transparency.

In March 2002, the health planning minister announced the new community members of the Health Authority Boards. Members were chosen for their leadership skills, decision-making abilities and willingness to be accountable through performance agreements.

The final result is a new structure that is simplified, functional and highly accountable to patients and British Columbians.

New Structure for B.C.'s Health Care System


15 Health Services Delivery Areas
5 Health Authorities + Provincial Health Services Authority
Ministries of Health

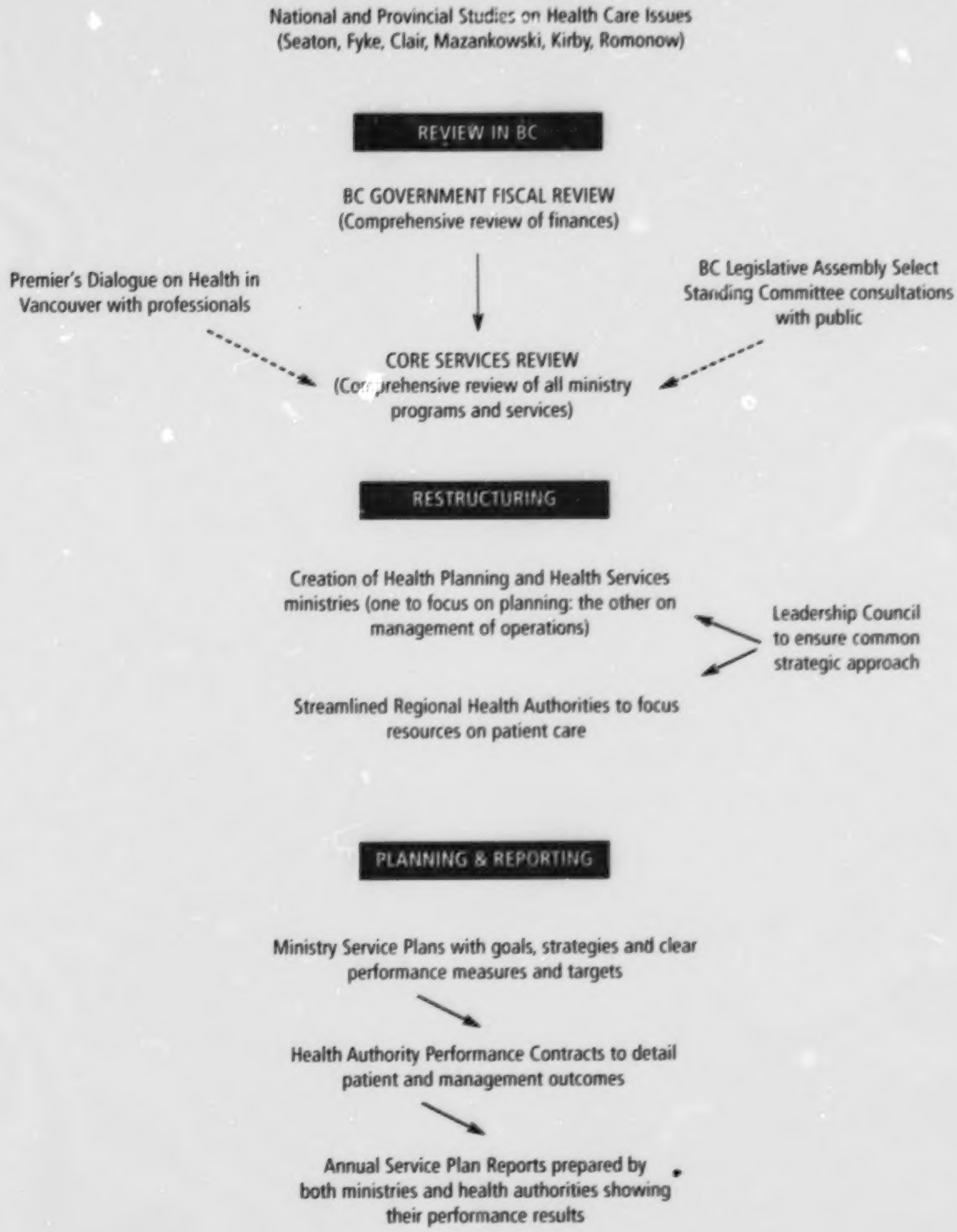
Leadership Council—Coordinating New Relationships

A Leadership Council was established, with representation from the Chief Executive Officers in health authorities and senior representatives from the health ministries. The council is chaired by the Deputy Minister and provides input on establishing strategies, direction and accountability frameworks.

Bill 29—A Major Tool for Change

In January 2002, the government introduced the *Health and Social Services Delivery Improvement Act* (Bill 29). The Act ensures health authorities have the flexibility to make decisions about services and staff in the best interest of patient care.

RENEWING HEALTH CARE–A YEAR OF CHANGE



National and Provincial Studies on Health Care Issues
(Seaton, Fyke, Clair, Mazankowski, Kirby, Romonow)

REVIEW IN BC

BC GOVERNMENT FISCAL REVIEW
(Comprehensive review of finances)

Premier's Dialogue on Health in Vancouver with professionals

BC Legislative Assembly Select Standing Committee consultations with public

CORE SERVICES REVIEW
(Comprehensive review of all ministry programs and services)

RESTRUCTURING

Creation of Health Planning and Health Services ministries (one to focus on planning: the other on management of operations)

Leadership Council to ensure common strategic approach

Streamlined Regional Health Authorities to focus resources on patient care

PLANNING & REPORTING

Ministry Service Plans with goals, strategies and clear performance measures and targets

Health Authority Performance Contracts to detail patient and management outcomes

Annual Service Plan Reports prepared by both ministries and health authorities showing their performance results

MINISTRY ROLE AND SERVICES

Vision

A health system that ensures high quality public health care services that meet patients' needs where they live and when they need them

WHAT IS THE ROLE OF THE MINISTRY OF HEALTH PLANNING?

Planning for a health system as large as B.C.'s is a complex and challenging task. This $10 billion system has approximately 7,700 physicians, 38,400 nurses (RN, RPN and LPN), 25,000 long-term care beds, and 140 hospitals serving 4 million people across the province. The day-to-day challenges of managing the health care system can focus all attention on immediate pressures. The government has responded with an increased emphasis on long-term planning as an essential element in the development of quality, timely and sustainable health services that meet the diverse needs of patients.

Mandate

The Ministry of Health Planning establishes expectations of health system performance and monitors the health of British Columbians

The need to focus strong and sustained effort in the area of health planning is particularly important as the pace of change in health services increases. In Canada, we are beginning to see the emergence of services based on genetic technologies and we will need to work with scientists, administrators, providers and the federal government to determine which services should be provided and under what conditions. We see that health care professionals are interested in different types of work arrangements and working to their full abilities. We will have to develop long-term health human resource plans that address these interests.

We also see significant opportunities in the areas of prevention and promotion to reduce disease and disability. Planning the

Mission

To guide and enhance the province's health services in order to ensure British Columbians are supported in their efforts to maintain and improve their health

The priorities of both the Ministry of Health Planning and the Ministry of Health Services are to fulfill the government's New Era vision of saving and renewing public health care and providing high quality health services that meet patients' most essential needs system changes needed to shift our focus more fully toward prevention and promotion will be a challenge. We see new technologies developing in many areas such as prescription drugs, diagnostic technologies, and new procedures. We will have to identify the best of these and plan how we can make them available. And finally, we recognize that public concern around access, quality and sustainability demands thoughtful, well-planned responses that allow us to maintain the best of Canadian health care while moving forward in positive ways.

In recognition of the importance of long-term planning and management of the health system, in June 2001 the government created two health ministries: the Ministry of Health Services to direct day-to-day operations; and the Ministry of Health Planning to focus on long-term planning. Planning is a complex set of activities that requires the collaboration of many partners within the health care system. The new Ministry of Health Planning is tasked with leading this process.

The ministry has four major functions in its planning role:

- to assess the health of the British Columbian population and identify their health care needs now and into the future;
- to assess the system's capacity in meeting those needs both in terms of treating illnesses and keeping people healthy;
- to set priorities that focus limited resources on delivering quality patient care; and
- to translate health care needs into a set of directions that will guide operational management and delivery of health services. This set of directions, among other things, will address the issues of planning for health human resources, medical machinery and equipment, and introduction of new services and plans for the development of quality and access standards.

Values

Patient and Consumer Focus

Equity

Access

Effectiveness

Efficiency

Appropriateness

Safety

These values reflect our commitment to the five principles of the Canada Health Act: public administration, comprehensiveness, universality, portability and accessibility.

These are not functions that are undertaken in isolation, but require careful consultation with health care partners in the Ministry of Health Services, health authorities, providers, and the public.

STRATEGIC SHIFTS

The provincial government has undertaken three major strategic shifts to ensure high quality patient-centred care, to build a sustainable public health system, and to enhance the health and wellness of British Columbians.

WHAT ARE THE STRATEGIC SHIFTS?

	Better Planning and Management	Meeting Patients Real Health Needs	Long term Sustainability
From:	• A fragmented system • Inadequate focus on patient's needs • Little accountability for patient outcomes • Inadequate financial control • Lack of clear performance objectives and outcomes	• Expanding scope of health sector • Unlimited expectations of consumers • Meeting demands regardless of cost or demonstrated benefit	• Escalating costs and limited resources resulting in reduced access to care
To:	• A planned, well managed system • Responsive to patient and population needs • Greater accountability to the public • Financial responsibility and control • Performance contracts for health authorities with clear objectives and outcomes	• A system that meets the real health needs of patients and the population by providing quality, accessible health care	• Achieving sustainability and appropriate use of health system by sharing responsibility among government, providers, patients and the public • Proper allocation of resources with consideration of economies of scale, scope and labour implications

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Core Business areas of the Ministry of Health Planning

The Ministry of Health Planning has three core business areas: Office of the Provincial Health Officer and Population Health and Wellness; Strategic Change Initiatives; and Planning, Policy and Legislation

Office of the Provincial Health Officer, and Population Health and Wellness

As detailed in the *Health Act*, the Provincial Health Officer provides independent advice to government on health issues, monitors and reports on the health of British Columbians, identifies the need for legislation or changes in policy or practice, and works with the B.C. Centre for Disease Control and provincial medical health officers to fulfill their legislated mandates. This business area also includes the Population Health and Wellness Division, which develops and evaluates major provincial strategies to improve the health of British Columbians and reduce future demands for health services.

Strategic Change Initiatives

The Strategic Change Initiatives Division oversees projects designed to improve quality, accessibility or efficiency of the health care system. This division works with staff from provincial ministries, health care providers, administrators and researchers, and provides project management expertise for all areas of the Ministry of Health Services and Ministry of Health Planning.

In addition, the division manages primary health care and rural and remote health strategies, and is the executive sponsor for chronic disease management initiatives.

Planning, Policy and Legislation

The Planning, Policy and Legislation Division works with the Ministry of Health Services, the health authorities and others to develop long-term plans, establish the broad accountability framework for our health system, and develop specific standards for quality and access. There is a major focus on planning health human resources and the accountability framework for the health services system.

In addition, the division is responsible for developing broad health and health services policy, for supporting and encouraging research, and for developing legislation and regulations. The Legislative Services and Self-Regulating Professions unit works to establish and maintain a comprehensive framework to support the health care system overall. A description of the legislative changes undertaken in this year appears in the appendices.

The unit also monitors the activities of self-regulating professions, supports the evaluation of applications by professionals for self-regulation, supports the four appeal boards that ensure fairness in various areas of health care decision-making, and supports the Mental Health Review Panel under the *Mental Health Act.*

The division also coordinates intergovernmental activities and supports a number of federal/provincial/territorial planning and research groups.

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WHAT ACTION HAS THE MINISTRY OF HEALTH PLANNING TAKEN?

The first task of the Ministry of Health Planning was to establish its three core business areas as described above. Then the ministry turned its attention to providing leadership and support for major strategic shifts in the health system by adopting formal planning tools, consulting with health care partners, and implementing specific activities.

Adopting formal planning tools

- **Integrated Planning** - The ministries of health are committed to integrated planning at all levels of the health system. The Ministry of Health Planning has the lead in directional planning and shares responsibility for strategic and tactical planning with the Ministry of Health Services and health authorities.
  - Directional planning is long-term planning that looks forward 5 to 10 years and reflects the vision for the entire system. Examples include the overall health system plan and the 10-year human resource plan. The Ministry of Health Planning is responsible for leading this process.
  - Strategic planning flows from the long-term vision. It includes plans such as the three-year service plans that lay out mid-term strategies. The two health ministries both take leadership roles in this process.
  - Tactical planning includes yearly action plans that translate strategic direction into annual project and budget plans. For example, ministries and health authorities produce annual business plans.
- **Population-Based Planning** – The ministry is implementing population-based planning to identify the health needs of diverse communities in B.C. This approach forecasts both the demand and supply of health care services within a geographic area to determine if health service delivery meets the needs of patients. (See topic box on Population-Based Planning.)
- **Monitoring and Assessing** –The Provincial Health Officer (PHO) plays an important role in the planning process by monitoring and reporting on the health of British Columbians. In 2001/02, the PHO provided information on many important health care issues:
  - A Report on the Health of British Columbians, Provincial Health Officer's Annual Report 2000: Drinking Water

Population-Based Planning

What is it?

Population-based planning forecasts both the demand for and supply of health care services within a geographic area to determine if health service delivery meets the needs of patients. This approach places a greater emphasis on examining the types of disease and disability that affect British Columbians.

What are we doing?

The ministry has traditionally planned for service delivery based on historic patterns of service use. In contrast, population-based planning begins with measuring the diseases that affect British Columbians and understanding the progression of diseases. For instance, if we know how many people have diabetes, we can tailor services to their needs as well focus on prevention and earlier intervention for people at risk.

Over the next few years, the Ministry of Health Planning will use a blend of both utilization-based and population-based planning.

What does this mean to you?

Measuring the burden of disease will help to identify the services required. This will lead to less pain and disability, and may help to reduce health care costs.

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Quality in British Columbia: The Public Health Perspective. October 2001;

- Health Status of Children and Youth in Care in British Columbia: What do the Mortality Data Show? May 2001;
- Children and Youth in Care: An Epidemiological Review of Mortality, British Columbia, April 1974 to March 2000. (A Technical Report of the Office of the Provincial Health Officer in Cooperation with the Ministry for Children and Families, the B.C. Children's Commission, and the B.C. Vital Statistics Agency, May 2001); and
- Provincial Health Officer's Report on HIV Reportability, February 2002.

- **Project Management System** – The Ministry of Health Planning implemented a new project management system that uses the intranet to allow more effective teamwork across different areas of expertise. This system proved very valuable in supporting the restructuring of both the health authorities and the health ministries.
- **Standard and Guideline Setting** – The Ministry of Health Planning established provincial standards and guidelines to ensure access to high quality patient care. Further work is being done on quality standards in consultation with the Ministry of Health Services and health authorities. By developing these standards and guidelines, the ministry will assist health authorities to plan for the delivery of services and communicate clearly to British Columbians what to expect. (See topic box on Standards Setting.)
- **Accountability Framework** – An important focus of attention has been on the development of an accountability framework for the health services system. The ministry has worked on the accountability provisions related to the newly designed health authorities and with respect to self-regulating colleges and inter-governmental work comparing the accountability approaches of different jurisdictions.

Standard Setting

What is it?

The Ministry of Health Planning, together with the Ministry of Health Services, is establishing provincial standards and guidelines to ensure high quality health care. Standards are benchmarks or targets for acceptable outcomes. These standards will assist health authorities to plan and use evidence-based decision-making to meet the service delivery needs of British Columbians.

What are we doing?

The ministry has prepared acute care access standards that are being used by health authorities in the redesign of hospital services. The standards specify the maximum travel time for accessing emergency services, in-patient services and core specialty services. They also ensure that the majority of British Columbians, in all regions, have reasonable access to these services.

The ministry is developing further provincial standards to ensure high quality patient-centred care for British Columbians. Over the coming year, new standards and guidelines will be developed for mental health, home and community care, surgical services and emergency care.

Health authorities are accountable for meeting standards through their performance agreements with the ministry.

What does this mean to you?

Standards ensure people receive greater consistency of care across the province. Measuring performance against standards allows us to both look for improvements in the quality of care and to be accountable for the services that are provided.

Consulting with health care partners

Planning cannot be accomplished without input from people throughout the health services system. In 2001/02, the ministry participated in a number of consultations.

- **Premier's Dialogue on Health** – The government held a forum in October 2001 with 140 professionals, administrators, and other experts to discuss critical issues impacting the sustainability of B.C.'s health care system. This dialogue sets the stage for ongoing participation of health care partners in addressing challenges and developing solutions for enhancing health services and improving our health care system.
- **Premiers' Conference on Health** – The Ministry of Health Planning provided support for the Premiers' Conference on Health in January 2002. As a follow-up to the Annual Premiers' Conference on Health in August 2001, the Premiers agreed to meet in Vancouver for an extraordinary meeting devoted to health issues. The agreements reached at this conference included:
    - Developing a common drug review process to ensure all Pharmacare programs use the same evidence for listing new drugs;
    - Approving all new drugs on a probationary basis pending an assessment of their effectiveness;
    - Agreeing to fast-track approval of generic drugs; and
    - Agreeing to develop sites of excellence to consolidate low-volume, highly specialized services to improve the quality of the service provided.
- **Leadership Council** – In 2001/02, the ministry established a Leadership Council, with representation from the health ministries and health authorities. The council is designed to ensure a common approach in directing and managing the regionalized health care system.

Renewing Primary Health Care for Patients

What is it?

For most British Columbians, primary health care is the first and most frequent point of contact with the health care system. Whether it's a visit to the family doctor or from a home care worker, a trip to the pharmacist, mental health counsellor or school nurse, primary health care is where new health problems are addressed, and where patients and providers work together to manage ongoing problems.

What are we doing?

There is growing recognition among patients, providers and governments that our current methods of delivering primary health care are failing to keep pace with evolving patient needs.

In B.C., the most common place to receive primary health care is still in a family doctor's office, where the doctor usually works alone and is paid for each service he or she provides. This is much as it was 40 years ago.

But our population and health needs have changed significantly. As a population, we're aging, we don't have strong links between our hospitals, community services and primary health care providers, and our health care resources are limited. General practitioners are trying to find ways to provide full-service family practice.

In B.C., Primary Health Care Renewal is being approached as a health authority level strategy. It typically brings together doctors, nurses, and other health care providers in one location to provide care that is more responsive to patients and better suited to each provider's range of skills. At the same time, it will decrease the need for expensive hospital care.

What does it mean to you?

Over the longer term, Primary Health Care Renewal will result in reliable, appropriate access to assessment, treatment and ongoing care that is based on patient needs, through better coordination of services.

  Quality in British Columbia: The Public Health Perspective, October 2001;

  - Health Status of Children and Youth in Care in British Columbia: What do the Mortality Data Show? May 2001;
  - Children and Youth in Care: An Epidemiological Review of Mortality, British Columbia, April 1974 to March 2000. (A Technical Report of the Office of the Provincial Health Officer in Cooperation with the Ministry for Children and Families, the B.C. Children's Commission, and the B.C. Vital Statistics Agency, May 2001); and
  - Provincial Health Officer's Report on HIV Reportability, February 2002.

- **Project Management System** – The Ministry of Health Planning implemented a new project management system that uses the intranet to allow more effective teamwork across different areas of expertise. This system proved very valuable in supporting the restructuring of both the health authorities and the health ministries.

- **Standard and Guideline Setting** – The Ministry of Health Planning established provincial standards and guidelines to ensure access to high quality patient care. Further work is being done on quality standards in consultation with the Ministry of Health Services and health authorities. By developing these standards and guidelines, the ministry will assist health authorities to plan for the delivery of services and communicate clearly to British Columbians what to expect. (See topic box on Standards Setting.)

- **Accountability Framework** – An important focus of attention has been on the development of an accountability framework for the health services system. The ministry has worked on the accountability provisions related to the newly designed health authorities and with respect to self-regulating colleges and inter-governmental work comparing the accountability approaches of different jurisdictions.

Standard Setting

What is it?

The Ministry of Health Planning, together with the Ministry of Health Services, is establishing provincial standards and guidelines to ensure high quality health care. Standards are benchmarks or targets for acceptable outcomes. These standards will assist health authorities to plan and use evidence-based decision-making to meet the service delivery needs of British Columbians.

What are we doing?

The ministry has prepared acute care access standards that are being used by health authorities in the redesign of hospital services. The standards specify the maximum travel time for accessing emergency services, in-patient services and core specialty services. They also ensure that the majority of British Columbians, in all regions, have reasonable access to these services.

The ministry is developing further provincial standards to ensure high quality patient-centred care for British Columbians. Over the coming year, new standards and guidelines will be developed for mental health, home and community care, surgical services and emergency care.

Health authorities are accountable for meeting standards through their performance agreements with the ministry.

What does this mean to you?

Standards ensure people receive greater consistency of care across the province. Measuring performance against standards allows us to both look for improvements in the quality of care and to be accountable for the services that are provided.

Consulting with health care partners

Planning cannot be accomplished without input from people throughout the health services system. In 2001/02, the ministry participated in a number of consultations.

- **Premier's Dialogue on Health** – The government held a forum in October 2001 with 140 professionals, administrators, and other experts to discuss critical issues impacting the sustainability of B.C.'s health care system. This dialogue sets the stage for ongoing participation of health care partners in addressing challenges and developing solutions for enhancing health services and improving our health care system.
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What does it mean to you?

Over the longer term, Primary Health Care Renewal will result in reliable, appropriate access to assessment, treatment and ongoing care that is based on patient needs, through better coordination of services.

Implementing specific planning activities

In 2001/02, the ministry initiated several planning activities in support of health care goals and long-term planning objectives.

- **Core Review** - The ministry led the core review process to examine the effectiveness and organization of both health ministries. As a result, the ministries were significantly restructured to lay the groundwork for achieving the New Era goals and vision for high quality patient-centred care. The ministry is also supporting the Core Services Review of the Emergency Health Services Commission.
- **Restructuring of Health Authorities** – As part of the restructuring process, the ministry reduced the number of health authorities from 52 to six. This will make operations more efficient and accountable to British Columbians.
- **10-Year Health Human Resource Plan** - With the Ministry of Skills, Development and Labour, the ministry is developing a 10-year human resource plan to properly provide for training, recruitment and retention of health care professionals in every area of the province. The plan will also address critical skills and staffing levels in under-serviced areas. Working with the Health Human Resources Advisory Committee, composed of health care associations, unions, administrators, educators and health authority representatives, health human resource planning has focused on both long-term planning and on addressing mid-term issues such as recruitment and retention of needed health professionals and developing advice on the numbers and types of seats colleges and universities should be developing to address the demand for health professionals.
- **Service Plans** - The Ministry of Health Planning led the development of service plans for both health ministries. These service plans set out roles, responsibilities, goals and outcomes for the next three fiscal years.

Rural and Remote Health

What is it?

Inequities in terms of resources and access to services are found throughout the province. British Columbians living in more isolated areas encounter considerably more health system barriers than those living in urban centers. This includes long distances separating communities and the lack of specialist medical services outside large urban areas of the province. To change this, the ministry is analyzing where and why gaps in service or access exist, and finding innovative new ways to address this.

What are we doing?

A 10-year human resource plan is being developed with other ministries to provide for the training, recruitment and retention of physicians, nurses, specialists and other health care providers in each area of the province. The plan also addresses critical skills and staffing levels in under-serviced areas.

In conjunction with the Ministry of Advanced Education, A Rural and Remote Training program is being developed, and forgivable student loans will be provided to students attending nursing and medical schools who practice for five years in under-served B.C. communities.

As well, government has announced the development of the BC Life Sciences program at the University of British Columbia's medical school, which will provide opportunities for training and residency positions at University of Northern B.C. and University of Victoria as undergraduates progress through their training.

Another program will be introduced that provides financial and travel assistance to rural/remote health care providers who want to upgrade their training.

A travel assistance program is also administered by the Rural Health Office of the ministry to reduce rural patients' transportation costs to access treatment not available locally.

What does it mean to you?

Through these actions, the Rural Health Office is planning for the provision of more equitable access to health services across the province. These actions will help address critical skills shortages and staffing levels through innovative strategies to educate more doctors, nurses and other health care providers in rural and remote communities.

- **Legislation** – The government introduced the *Health and Social Services Delivery Improvement Act*, which provides health authorities the flexibility to make decisions about services and staff in the best interest of patient care. The ministry also amended the *Medical Practitioners Act*. New legislation is also being developed to amend the *Health Professions Act*, *Community Care Facility Act* and *Drinking Water Protection Act*.

- **Policy and Research** - The ministry has been engaged in developing policy to guide appropriate and effective involvement of the private sector in the provision of health care services, in development of patient satisfaction tools, and in the development of policies regarding which services should be publicly funded. At the same time, research work in the area of nurse practitioners and work to support making research more accessible to providers has continued.

- **Nursing Strategy** – In 2001, the government allocated $21 million for a new Nursing Strategy and hired B.C.'s first Chief Nurse Executive. The strategy addresses the province's nursing shortage and improves working conditions for nurses in B.C. To link nursing groups more closely with the ministry, a nursing directorate and advisory committee were established. The ministry has already made progress in reducing the shortage, and is developing a long-term plan with several initiatives such as more education seats, incentives for nurses to return to work, and recruitment of foreign-educated nurses. (See topic box on the Nursing Strategy.)

- **Nurse Practitioners** – The government also continues to work with the Registered Nurses' Association of British Columbia towards the recognition of Nurse Practitioners. This includes defining scope of practice, competencies, educational preparation, and the required legislative framework.

Nursing Strategy

What is it?

The Nursing Strategy is a comprehensive approach to address the province's nursing shortage and improve working conditions for nurses in B.C.

What are we doing?

In 2001, the government allocated $21 million for the Nursing Strategy and hired British Columbia's first Chief Nurse Executive. The Chief Nurse Executive has held dialogues with groups of practising and student nurses on the challenges and opportunities with respect to work life issues and avenues for nurses to provide input to system redesign.

The creation of a Nursing Directorate helps to link nursing groups in the province with the Ministry of Health Planning. The Nursing Advisory Committee was also initiated with membership including nurses, employers, unions and professional associations.

Progress has been made in reducing the nursing shortage, providing funds for nursing specialty courses, and finding ways to support new graduates. Work has begun on developing a long-term plan that will identify the number and category of nurses needed in the future. The strategy includes:

- More education seats.
- Initiatives to encourage B.C. nurses who are not working in their profession to return to the health system.
- Recruitment of more foreign-educated nurses.
- New opportunities for nurses to upgrade their skills.
- Funding for new equipment that will help nurses avoid workplace injuries.

What does this mean to you?

Nurses are, and will continue to be, the largest single health care provider group. When we attract and retain skilled nurses, and when we make it easier for people to enter, stay and advance in the nursing profession, we create a stronger health care system in our province.

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- **Chronic Disease Management** - The ministry is developing a Chronic Disease and Injury Prevention Strategy to lower the risk of chronic disease such as diabetes, asthma and lung and heart disease. Together with the Ministry of Health Services, it is also developing a Chronic Disease Management Strategy to improve the treatment and care of people with chronic illnesses. (See topic box on Chronic Disease Management (Prevention).)

- **Primary Health Care Renewal** - The ministry supported the implementation of Primary Health Care Renewal by providing funding in 2001/02 for four additional primary health care organizations in rural areas which follow the primary care renewal model. These organizations typically bring together doctors, nurses, and other health care providers to meet the needs of a community. The objective of providing timely and coordinated care is to decrease the need for preventable hospital care. (See topic box on Primary Health Care Renewal p. 14.)

- **The Rural and Remote Health Initiative** – A new comprehensive policy framework for rural and remote health services is being developed that will strengthen and enhance existing programs and assist health authorities in creating new ways of delivering services to enhance access and availability of health services in rural and remote communities. The policy framework will be completed in 2003/04. (See topic box on Rural and Remote Health p. 15.)

Chronic Disease Management (Prevention)

What is it?

The Chronic Disease and Injury Prevention Strategy uses proven methods to decrease the occurrence and duration of preventable illnesses, such as diabetes and lung and heart disease.

What are we doing?

We are developing a Chronic Disease and Injury Prevention Strategy focusing on five priorities: physical activity, healthy eating, tobacco reduction, alcohol or drug misuse, and preventable injury, especially falls among seniors.

The ministry is working to engage other provincial ministries, health authorities and non-government organizations in action to lower the risk of chronic disease and disability among British Columbians. For example, the ministry is collaborating with the Ministry of Community, Aboriginal and Women's Services and other partners to develop a Sport and Physical Activity Policy for B.C. that targets initiatives for schools and communities.

What does it mean to you?

Over time, the Chronic Disease and Injury Prevention Strategy will help to delay and prevent the occurrence of conditions such as diabetes and heart disease so that fewer people suffer from their consequences.

- **Home and Community Care Plan** - The ministry assisted in the development of the Home and Community Care Plan. The plan is expanding and redesigning the home and community care system to provide services to a greater number of people with functional impairments due to aging, illness or disability.

- **Mental Health Plan** - The ministry worked with the Ministry of Health Services to implement the Mental Health Plan.

- **Population Health and Wellness Strategies** - The ministry is developing core public health programs, population health and wellness strategies, and a new *Health Act* as part of its population health and wellness framework. This framework consists of mandatory, ongoing public health programs and minimum service deliverables for health authorities. The population and wellness strategies recommend best practices based on evidence-based research.

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UPDATE ON NEW ERA COMMITMENTS

On June 25, 2001, Premier Gordon Campbell sent a letter to each member of the Executive Council providing direction and outlining expectations. The Premier's letter to the Minister of Health Planning itemized the New Era commitments and key projects for which the minister is accountable. The following is the list of New Era commitments and key projects. A detailed description of the ministry's actions and progress on these assignments is contained in the following pages.

NEW ERA PROMISES FOR HEALTH PLANNING

1. Ensure that BC health care is universal, accessible, portable, comprehensive and publicly administered, consistent with the five principles of the *Canada Health Act.*

2. Establish provincial health standards that ensure all citizens in every part of the province are entitled to equitable, reliable, high quality health services.

3. Develop performance measures that are annually audited and publicly reported for each health standard, to ensure provincial and regional health authorities are accountable for fulfilling their duties to provide the prescribed levels of patient care.

4. With Skills Development and Labour, develop a 10-year human resource plan that properly provides for the training, recruitment and retention of physicians, nurses, specialists and other health care providers in every area of the province, and that addresses critical skills and staffing levels in under-serviced areas.

5. With Health Services:

    a. Develop a Hospital Facilities Plan that identifies each health region's key capital requirements and funding priorities.

    b. Develop an Intermediate and Long Term Care Facilities Plan that addresses the needs of our aging population and frees up existing acute care beds.

    c. Develop a Medical Machinery and Equipment Plan that ensures existing medical diagnostic and care equipment is adequately staffed, fully utilized and properly maintained, and that provides for future investments in new equipment and technologies.

    d. Develop a comprehensive Technology Plan to assist health care professionals in delivering faster, more effective treatment to patients through new information technology and telemedicine.

    e. Establish a Rural and Remote Health Initiative to ensure all families get the care they need, where they live and when they need it.

    f. Work with front line health care professionals to act on their ideas for maximizing the value to patients of every health dollar spent.

g. Launch a massive recruitment drive to bring non-practicing registered nurses and licensed practical nurses back into our health care systems.

h. Ensure that appointees to regional health boards are representative of their communities' needs and accountable for their performance in meeting provincial health standards.

i. Work to minimize inter-jurisdictional overlaps that are adding confusion and costs to health care delivery.

j. Work with doctors, pharmacists and others to find a cost-effective alternative to reference based pricing.

6. With Intergovernmental Relations Secretariat (IGR) and Finance, negotiate with the federal government to restore all of the health care funding withdrawn through budget cuts.

7. Increase the number of residency positions in BC hospitals in the next five years.

8. Develop a rural travel assistance program, to reduce rural patients' transportation and lodging costs to receive treatment that is not locally available.

9. With Advanced Education:

   a. Expand training programs for care aides, licensed practical nurses and registered nurses, in collaboration with our universities, colleges and institutions.

   b. Increase the number of medical school graduates over the next five years.

   c. Develop a Rural and Remote Training Program that provides forgivable loans to BC students attending accredited nursing and medical schools who agree to practice in a rural or remote community in BC.

   d. Introduce a Rural and Remote Training Support program that provides financial and travel assistance to health care providers who want to update or upgrade their skills and training.

   e. Provide assistance and opportunities to help nurses develop the specialized skills needed in intensive care units, emergency rooms and operating rooms.

   f. Increase training spaces and recruitment of foreign-trained nurses and physicians.

   g. Establish a "Leading Edge Endowment Fund," cost-shared with the private sector, to establish 20 permanent BC Leadership Chairs in the fields of medical, social, environmental and technological research.

10. Work with health care professionals, caregivers, administrators, community leaders, patient groups and the public to develop a comprehensive 10-year Health Strategy for B.C.

Key Projects for Health Planning

1. Examine the governance structure and make recommendations for alignment of Community Health Council / Community Health Services Society / Regional Health Board responsibilities, including a recommended structure for Vancouver / Richmond Health Board.

2. Develop an accountability framework for Boards and an arms-length appointment process, with identification of clear expectations and performance measures.

3. Develop a transparent population-based funding formula.

4. Review the Medical Services Commission structure and recommend new structures as appropriate.

5. Work with the Agencies, Boards, and Commissions Director on Health Board appointments.

6. Recommend a framework for delivery of provincial programs.

7. Consider the advisability of including Pharmacare, ambulance services and Medical Services Plan in regional authority budgets. Recommend appropriate governance model for licensing functions.

8. Develop a framework for financial and human resource allocation, including capital and equipment.

9. Work with Health Services to develop a planning framework for mental health, intermediate, long term and home care.

10. Act as provincial liaison to the Romanow Commission.

NEW ERA PROMISES

1. **Ensure that BC health care is universal, accessible, portable, comprehensive and publicly administered, consistent with the five principles of the Canada Health Act.**

The Ministry of Health Planning was created in June 2001 to provide a dedicated focus on the longer term planning and vision necessary to sustain B.C.'s public health care system in the years ahead. The ministry's work is guided by the five principles of the *Canada Health Act*.

British Columbia, like other provinces, reports on an annual basis to the federal government on how we meet the commitments of the *Canada Health Act*. The federal Minister of Health tables these reports with Parliament to ensure public accountability.

2. **Establish provincial health standards that ensure all citizens in every part of the province are entitled to equitable, reliable, high quality health services.**

Acute Care Access Standards and Guidelines have been prepared to guide health authorities through the re-structuring of hospital services for 2002/05. The standards specify the maximum travel time for accessing emergency, in-patient and specialty services. The ministry is in the planning stages for the development of further provincial standards to ensure high quality health services for B.C. patients.

3. **Develop performance measures that are annually audited and publicly reported for each health standard, to ensure provincial and regional health authorities are accountable for fulfilling their duties to provide the prescribed levels of patient care.**

Performance agreements have been developed for use between health authorities and the Ministry of Health Services which define expectations and performance deliverables for three fiscal years. For the first time ever health authorities will sign agreements that will hold them accountable for the delivery of patient care, patient outcomes and how health dollars are spent. The agreements also contain major change requirements in areas of service such as Emergency Care, Surgical Services, Home and Community Care, and Mental Health. In addition, a process is underway to also establish core services in Public and Preventive Health.

4. **With Skills Development and Labour, develop a 10- year human resource plan that properly provides for the training, recruitment and retention of physicians, nurses, specialists and other health care providers in every area of the province, and that addresses critical skills and staffing levels in under-serviced areas.**

The ministry chairs the Health Human Resource Advisory Committee (HHRAC). This committee, through its working groups and formal conferences, addresses issues on education, recruitment, retention and work design. Along with the ministry responsible for skills development and labour, the committee membership includes the health authorities, the Health Employers' Association of B.C., educators, professional associations and unions. The ministry is working closely with planners from each health authority to develop a long-term (10 year) strategic plan for health human resources. Research has begun to analyze current health human resource shortages and long-range system needs, and a model for analyzing supply and demand for health human resource planning has been developed and is now being discussed with key stakeholder organizations involved in health human resources.

5a. **Develop a Hospital Facilities Plan that identifies each health region's key capital requirements and funding priorities.**

The ministry is developing new capital planning guidelines for health authorities.

and is currently working with the health authorities and Treasury Board Staff to develop long-term strategies for capital planning. The ministry is investigating methods to assess facility stock and the potential need for replacement, similar to the comprehensive inventory of residential care facilities. Additionally, health authorities are in the process of assessing facilities as they redesign health service within their regions to meet the needs of patients.

5b. Develop an Intermediate and Long Term Care Facilities Plan that addresses the needs of our aging population and frees up existing acute care beds.

The ministry, in conjunction with the Ministry of Health Services and the health authorities, is developing an intermediate and long-term care facilities plan. The first step of the facilities plan is an assessment of the physical and functional condition of the 25,400 publicly funded residential care beds. The assessment will be completed by the summer of 2002 and will provide health authorities and the ministry with information on facility condition and the alignment of available bed stock to meet the complex care needs of clients.

This information, together with health authority information on facility specific resources and care delivery, will be used to develop a facilities plan which addresses future residential care capacity requirements to meet the needs of B.C.'s aging population. The plan will include decisions on renovating or replacing beds to meet complex care needs, and converting existing bed stock that cannot accommodate complex care patients or provide appropriate substitute services for acute care.

5c. Develop a Medical Machinery and Equipment Plan that ensures existing medical diagnostic and care equipment is adequately staffed, fully utilized and properly maintained, and that provides for future investments in new equipment and technologies.

The ministry is working with health authority planners on the assessment of the current and future need for medical machinery and equipment. Health authorities are also assessing equipment capacity and needs in relation to their health service redesign plans. Work is also underway to ensure the health system makes the most appropriate use of new technology and medical equipment as it becomes available.

5d. Develop a comprehensive Technology Plan to assist health care professionals in delivering faster, more effective treatment to patients through new information technology and telemedicine.

The Chief Information Officer (CIO) of the health ministries and the CIOs of the health authorities are working together to finalize the strategic plan and develop a tactical plan for health information management and technology (IM/IT) in B.C. The consolidated provincial strategy will provide the health sector with a unified vision and a set of common principles and initiatives.

The CIOs of the health ministries and of the health authorities are also exploring strategies and approaches for establishing electronic health records (EHR) in B.C. The ministry is leading the development of a provider registry system. Once implemented, the system will provide the benefit of consistently identifying health providers, which is a key foundation piece for the EHR.

The ministry is also developing an IM/IT strategic and business plan internally to align its direction with the provincial strategy and contribute to the overall technology plan. The CIO of the health ministries and the CIOs of the health authorities have provided significant input to the Premier's Technology Council. The Health CIOs' recommendations are reflected in the Council's reports.

5e. Establish a Rural and Remote Health Initiative to ensure all families get the care they need, where they live and when they need it.

A project plan has been developed for a policy framework for rural and remote health services that will enhance existing programs and help health authorities create new service delivery models. A stakeholder planning session was held in March 2002, and an analysis report is underway to inventory current health services in rural and remote B.C. and outline existing gaps in service accessibility. Work is also underway on an analysis of access issues relating to special populations and specific health services.

A key outcome of this initiative will be the development of an extensive range of policies and practices related to rural health service planning, roles of nurse practitioners, physician issues in rural and remote areas, and linking primary care with self-care, telehealth services and acute care.

The government has also announced the creation of the BC Life Sciences Centre, which will substantially increase the number of physicians that graduate in B.C. The centre will have a collaborative campus at the University of Northern British Columbia specializing in rural and remote medicine as well as the development of e-health initiatives. In addition, a loan forgiveness program for nursing and medical students willing to work in under-served areas has been established, and $1.2 million has been provided for innovative rural nurse and nurse mentoring strategies to reduce workplace stress, help integrate new nurses and improve the quality of patient care.

5f. Work with front line health care professionals to act on their ideas for maximizing the value to patients of every health dollar spent.

The following mechanisms have been used to incorporate the ideas of front line health professionals in improving patient care:

- The Chief Nurse Executive has met extensively with practicing and student nursing groups around the province. The first stage has been to communicate progress on the Nursing Strategy on work life issues. During this dialogue, front line nurses also shared their ideas for the redesign of health services.
- Similarly, in developing policy around advanced nursing practice, several hundred nurses were interviewed about their ideas for new and advanced roles for practice.
- A standing committee of the Vice-Presidents of Medicine has been

established to provide advice to the Leadership Council on medical issues – another important link to front line health care.

- The government hosted a Dialogue on Health in October 2001, with 140 professionals, administrators, and other experts, to identify new solutions to improve care.
- The Legislature's Select Standing Committee on Health held hearings in 10 communities and received 700 submissions, which are incorporated in its December 2001 report on renewal and reform of health care.
- Policy Rounds, sponsored by the Ministry of Health Planning, provide an opportunity to disseminate research on new and innovative approaches in health services delivery.

5g. Launch a massive recruitment drive to bring non-practicing RNs and LPNs back into our health care systems.

In 2001, government implemented the Nursing Strategy for B.C., which included the creation of a Nursing Directorate to link nursing groups in the province with the Ministry of Health Planning. The Nursing Advisory Committee of B.C. was also initiated in 2001 with membership including nurses, employers, unions and professional associations. Progress has been made in reducing the nursing shortage, providing funds for nursing specialty courses, and finding ways to support new graduates in B.C. Work has begun on developing a long-term plan that will identify the number and category of nurses needed in the future.

Major progress has been made in nurse recruitment, including a $1.1 million initiative targeted at non-practicing RNs and under-employed foreign-educated nurses already living and working in B.C. Almost 400 nurses have now been approved for grants for refresher courses and ESL training. In addition, 48 foreign specialty nurses have been matched to employers through an off-shore recruitment strategy. The ministry has also launched a program to assist nurses to return to practice from workers' compensation or long-term disability.

5h. Ensure that appointees to regional health boards are representative of their communities' needs and accountable for their performance in meeting provincial health standards.

In December 2001, a simpler, more accountable structure for delivering health services was introduced. The new structure includes 15 health service delivery areas governed by five geographic health authorities and one provincial health authority. Health authority board members have been chosen for their leadership skills and decision-making abilities. Community representation was also a key factor and all health authorities have representation from each of the health service delivery areas they govern.

Health authorities are accountable through performance agreements that define expectations and performance deliverables between health authorities and the Ministry of Health Services.

5i. Work to minimize inter-jurisdictional overlaps that are adding confusion and costs to health care delivery.

In December 2001, government announced the existing 52 regional health authorities would be realigned in a new governance structure consisting of 15 health service delivery areas governed by five health authorities and a Provincial Health Services Authority to oversee provincial programs. Creating fewer, more accountable health authorities will minimize the duplication of administrative services that have added confusion and costs to health care delivery. The new model is focused on achieving efficiencies, eliminating administrative duplications, and directing as much money as possible to high-quality patient care.

5j. Work with doctors, pharmacists and others to find a cost effective alternative to reference based pricing.

In November 2001, the Minister of Health Planning appointed a Reference Drug Program Consultation Panel to seek cost-effective alternatives to Pharmacare's Reference Drug Program. Meetings were held in January, February and March 2002, and 46 submissions were made to the panel by various stakeholders and members of the public. The minister will be reviewing the panel's report and preparing recommendations to government.

6. With IGR and Finance, negotiate with the federal government to restore all of the health care funding withdrawn through budget cuts.

In January 2002, the Premier of B.C. hosted an extraordinary meeting of all Canadian premiers to discuss health issues. The ministry worked closely with the Intergovernmental Relations Secretariat (IGR) in preparing for the meeting. At the meeting the premiers confirmed the current level of federal funding contribution is inadequate to sustain quality health care. The issues of inadequate federal funding and the pressures facing provincial health care systems were also raised with the federal government at meetings of the conferences of Federal/Provincial/Territorial (F/P/T) Ministers of Health and F/P/T Deputy Ministers of Health.

7. Increase the number of residency positions in BC hospitals in the next five years.

Following the government's expansion of the University of British Columbia's medical school and establishment of satellite medical schools at the University of Victoria and the University of Northern British Columbia, the ministry is now working with health authorities and the three universities to expand the residency program in B.C. Expanding the program will help alleviate regional shortages by providing a new pool of student doctors who will complete their residency programs in hospitals outside the Lower Mainland.

In addition, the International Medical Graduates program at St. Paul's Hospital has increased its residency positions for foreign educated physicians from four to six.

8. Develop a rural travel assistance program, to reduce rural patients' transportation and lodging costs to receive treatment that is not locally available.

Work has begun to enhance the existing Travel Assistance Program administered by the Ministry of Health Services. The program is a private and public sector corporate partnership program which offers travel discounts to British Columbia residents who must travel within B.C. for non-emergency medical services not available in their own community. The program's administrative system has been automated and streamlined for travel approvals over the phone, and Angel Air has recently been added as a corporate sponsor.

The ministry will continue to develop a rural travel assistance program in conjunction with other initiatives such as the Physician Outreach Program. That program will assist physicians to travel to rural communities to provide services, thus reducing the need for patients to travel.

9a. Expand training programs for care aides, licensed practical nurses and registered nurses, in collaboration with our universities, colleges and institutions.

Government is adding 1,400 new training spaces over three years. In 2001/02, 177 new training spaces were added.

9b. Increase the number of medical school graduates over the next five years.

In March 2002, government announced a $134 million program to expand the

University of British Columbia's (UBC) medical school and establish satellite medical schools at the University of Victoria and the University of Northern British Columbia. This program will almost double the number of undergraduate medical school spaces (from 128 to 224) by 2005, and creates a multi-region and multi-university collaborative teaching model unique in Canada.

9c. Develop a Rural and Remote Training Program that provides forgivable loans to BC students attending accredited nursing and medical schools who agree to practice in a rural or remote community in BC.

A loan forgiveness program for medical and nursing students was established in August 2001. Student loans are forgiven at a rate of 20% per year for each year of service in rural or remote communities of greatest need.

9d. Introduce a Rural and Remote Training Support program that provides financial and travel assistance to health care providers who want to update or upgrade their skills and training.

As part of government's Nursing Strategy, $1.2 million has been provided for innovative rural nurse and nurse mentoring strategies to reduce workplace stress, help integrate new nurses and improve the quality of patient care.

9e. Provide assistance and opportunities to help nurses develop the specialized skills needed in intensive care units, emergency rooms and operating rooms.

Government's Nursing Strategy includes $1.56 million in funding available to health authorities so they can offer nurses skills upgrading and certification in specialty areas. 315 nurses have been approved.

9f. Increase training spaces and recruitment of foreign-trained nurses and physicians.

Under the Nursing Strategy, 48 foreign specialty nurses have been matched to employers through an off-shore recruitment strategy. For physicians, the International Medical Graduates program at St. Paul's Hospital has increased its residency positions for foreign educated physicians from four to six.

9g. Establish a "Leading Edge Endowment Fund," cost-shared with the private sector, to establish 20 permanent BC Leadership Chairs in the fields of medical, social, environmental and technological research.

Government has launched a $45 million Leading Edge Endowment Fund to establish 20 permanent BC Leadership Chairs. The Chairs will be established, based on a cost-sharing partnership with the private sector, at public post-secondary institutions across the province in such fields as medical, social, environmental and technological research.

10. Work with health care professionals, caregivers, administrators, community leaders, patient groups and the public to develop a comprehensive 10-year Health Strategy for B.C.

The ministry has begun work on a Hospital Facilities Plan, an Intermediate and Long-term Facilities Plan, a Medical Machinery and Equipment Plan, a Technology Plan, a Rural and Remote Initiative and a 10-year Human Resource Plan (see individual entries in this report). These plans, along with the completed and ongoing work in developing health standards and performance agreements, will be brought together to form a comprehensive health strategy for B.C.

KEY PROJECTS

1. Examine the governance structure and make recommendations for alignment of Community Health Council / Community Health Services Society / Regional Health Board responsibilities, including a recommended structure for Vancouver / Richmond Health Board.

The ministry examined the governance structure of the health care system and provided recommendations to government. In December 2001, government accepted the recommendations and announced the existing 52 regional health authorities would be realigned in a new governance structure consisting of 15 health service delivery areas governed by five health authorities and a Provincial Health Services Authority (PHSA) to oversee provincial programs. This streamlined model will improve efficiency, strengthen accountability and allow better planning and service coordination for patients.

2. Develop an accountability framework for Boards and an arms-length appointment process, with identification of clear expectations and performance measures.

The ministry has worked with the Board Resourcing and Development Office on health board appointments. The Board Resourcing and Development Office is responsible for establishing guidelines for all provincial appointments to agencies and ensuring that all provincial appointments are made on the basis of merit following an open, transparent and consistent appointment process. This process supports the public interest by putting qualified people in place and giving them the autonomy necessary to properly run the health care system. To support improved accountability, the ministry has developed performance measurements holding health authorities throughout the province accountable not just for how dollars are spent, but in terms of effective delivery of patient care. To ensure accountability, performance agreements between health authorities and the Ministry of Health Services have been developed which define three-year expectations and performance deliverables.

3. Develop a transparent population-based funding formula.

In calculating the 2002/03 grants to health authorities, a population needs-based funding formula was used to equalize the funding allocations between the health authorities. The formula was used for allocations for acute and home and continuing care, and is now being further developed and refined to address questions concerning special costs in urban centres and remote sites. Work is also underway to ensure the model is fully adaptable in relation to funding allocations for mental health services.

4. Review the Medical Services Commission structure and recommend new structures as appropriate.

A review of the Medical Services Commission will be undertaken in 2002.

5. Work with the Agencies, Boards, and Commissions Director on Health Board appointments.

Health authority board members were appointed in March 2002. The ministry worked with the Board Resourcing and Development Office to ensure health authority board members were chosen for their leadership skills and decision-making abilities.

6. Recommend a framework for delivery of provincial programs.

The Provincial Health Services Authority (PHSA), introduced in December 2001, is part of the new governance structure for B.C.'s public health care system. The PHSA oversees the coordination and delivery of provincial programs and highly specialized health care services. The provincial authority will work closely with the five new health authorities and the ministries of health to ensure these programs are coordinated throughout the province, and that patient access issues are equitably addressed. Performance agreements between the Ministry of Health Services and every health authority, including the PHSA, have been developed to define expectations and performance deliverables for three fiscal years.

7. Consider the advisability of including Pharmacare, ambulance services and Medical Services Plan in regional authority budgets. Recommend appropriate governance model for licensing functions.

A Core Review process has been initiated to examine appropriate governance options for ambulance services and provide recommendations to government. As planning work continues, the advisability of including MSP and Pharmacare in health authority budgets will be assessed.

8. Develop a framework for financial and human resource allocation, including capital and equipment.

The ministry will soon complete work on a health human resource planning framework in collaboration with members of the Health Human Resource Advisory Committee. Work has also begun in consultation with health authorities on the allocation of capital and equipment funding.

9. Work with Health Services to develop a planning framework for mental health, intermediate, long term and home care.

Government has announced a $263 million action plan to revitalize services and facilities for people with mental health problems, and a provincial strategy is under development to redesign the home and community care system. Performance agreements have been developed which define expectations and performance deliverables between health authorities and the Ministry of Health Services for the next three years. These agreements contain specific requirements for both mental health and home and community care services.

10. Act as provincial liaison to the Romanow Commission.

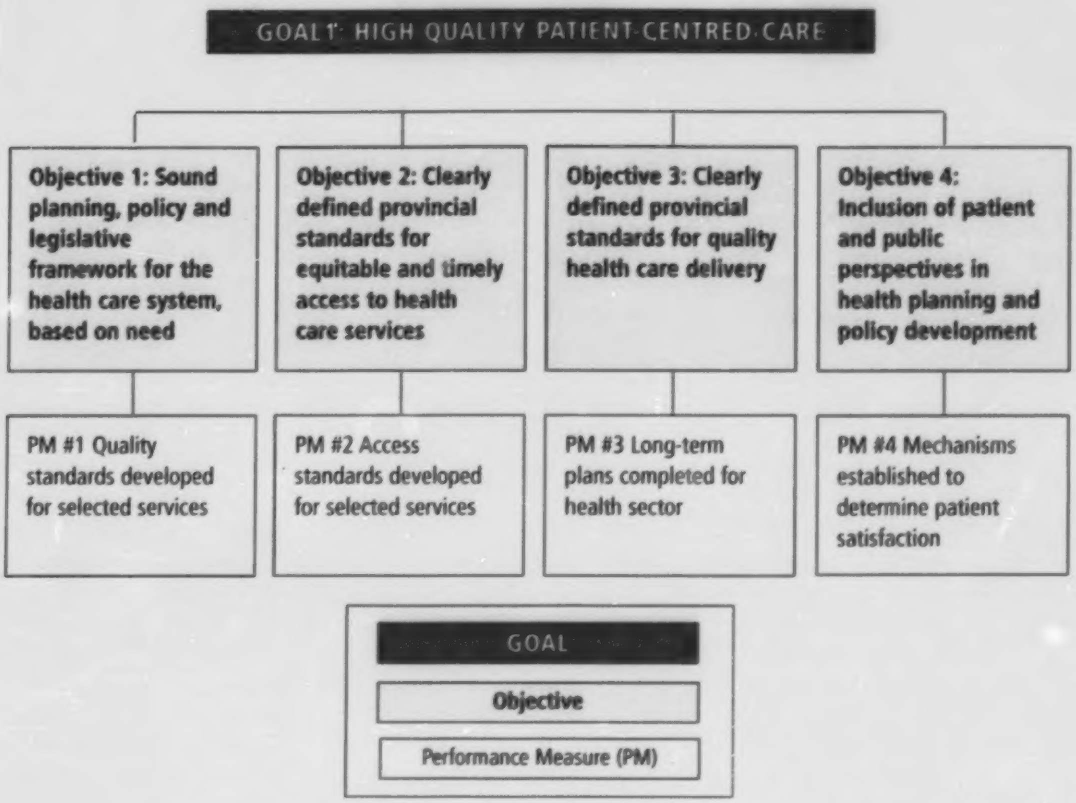
In 2001, the Prime Minister appointed Roy Romanow as a one-man Commission on the Future of Health Care in Canada (Romanow Commission). Romanow was charged with looking at the long-term challenges of maintaining a public universal health care system in Canada. The interim report of the Romanow Commission was released in February 2002. The report, entitled "Shape the Future of Health Care", was intended to be a starting point for discussion. Shortly after releasing the interim report, the commission embarked on a consultation process involving public hearings, expert/stakeholder workshops, partnered policy debates, regional roundtable discussions, and a national stakeholder conference. The Minister of Health Planning presented the B.C. submission to the Romanow Commission when hearings were held in Victoria in February 2002.

PERFORMANCE REPORTING

In February 2002, the Minister of Health Planning tabled the ministry's 2002/03-2004/05 service plan in the Legislature. It includes a set of targets and performance measures that help track progress in meeting the ministry's goals and objectives. This year's annual report provides information on those recent performance measures. These results are intended to serve as background data for next year's 2002/03 annual report when the ministry will begin comparing actual results against targets established in the 2002/03 service plan.

Even though this is the ministry's first year, this year's report shows immediate concrete results for several measures. Others describe significant progress in building new long-term plans, structures and tools for planning and evaluation.

Tracking and reporting how well the health care system is doing in meeting its performance objectives is one of the responsibilities outlined in the *Budget Transparency and Accountability Act*, amended in August 2001. The ministry is committed to ensuring British Columbians get the greatest health benefit possible for every health dollar. Performance measurement is one way to keep track of the quality, accessibility and appropriate delivery of these services. It also helps to monitor the effectiveness of the programs in improving the health and wellness of British Columbians. And finally, the measures help to determine how efficient the health sector is in delivering those services. Knowing how well the ministry is performing in meeting its goals is the first step toward making continuous and meaningful improvements.


GOAL 1: HIGH QUALITY PATIENT-CENTRED CARE
Objective 1: Sound planning, policy and legislative framework for the health care system, based on need
Objective 2: Clearly defined provincial standards for equitable and timely access to health care services
Objective 3: Clearly defined provincial standards for quality health care delivery
Objective 4: Inclusion of patient and public perspectives in health planning and policy development
PM #1 Quality standards developed for selected services
PM #2 Access standards developed for selected services
PM #3 Long-term plans completed for health sector
PM #4 Mechanisms established to determine patient satisfaction
GOAL
Objective
Performance Measure (PM)

PM#1 Quality standards developed for selected services

The development of standards for health services delivery, performance and health care outcomes, will:

- provide a yardstick to measure the delivery of high quality care
- provide a systematic approach to monitoring and evaluation to improve patient outcomes
- establish good, evidence-based parameters and clear expectations for health authorities

The clear articulation of quality standards will allow providers and governors to work towards improvement in patient care, health outcomes, and confidence in health services.

In 2002, the ministry began the process of developing these standards in conjunction with the Ministry of Health Services and health authorities.

PM#2 Access standards developed for selected services

This indicator measures to what extent the ministry has defined a series of access standards for the provision of selected health services. The purpose of provincial standards is to assist Health Authorities in ensuring appropriate patient access to those services within available resources.

In conjunction with the Ministry of Health Services, the Ministry of Health Planning developed provincial standards based on travel time and population for access to emergency, acute inpatient care, and specialty services. These standards are generally applicable outside the major urban areas, but require that larger centres must accommodate inter-regional patient transfers for services that are not available locally.

Access will be ensured according to the following standards:

- Access will be provided to emergency services on a 24-7-52 basis within one hour of travel time or 50 kilometres for 98 per cent of residents within the health authority region and for 95 per cent of residents within the health service delivery area. Emergency services may take the form of a diagnosis and treatment centre, a health centre, a group of practices, or a larger inpatient facility. In remote areas, Red Cross Outpost Hospitals and Federal Nursing Stations may provide these services.

- Access to basic inpatient hospital services will be available within two hours travel time for 98 per cent of residents within the region and for 95 per cent of residents within the health service delivery area.

- Access to core specialty services will be available within four hours travel time for 98 per cent of residents within the region and 95 per cent of the population of each health service delivery area. Core specialty services include general surgery, anaesthesia, psychiatry, internal medicine, obstetrics & gynaecology, and paediatrics. Depending on the catchment population and location, specialty services outside major referral centres may include other specialties such as orthopaedics, urology, ophthalmology, and otolaryngology.

These standards were provided to health authorities to assist their planning for service delivery. Standards will help to ensure British Columbians' access to safe, appropriate, and high quality health care services within a reasonable time and distance. Further information on standards and guidelines for the provision of acute care services will be found on the Ministry of Health Services website.

PM#3 Long-term plans completed for health sector

This measure tracks the development of long-term plans for health human resources, capital resources, and acute, intermediate and long-term care facilities. The priority is to complete a 10-year human resource plan for 2002/03. Work on capital and facility plans will begin in 2002/03.

For the 2001/02 year, the ministry has:

- completed the initial design of a health human resource plan after consultations with health authorities, educators, the Health Employers Association of B.C. (HEABC), unions, professional associations and other ministries.

- held conferences in October 2001 and March 2002 to identify recruitment, education, retention and work design strategies to address shortages and anticipate future staffing needs for 10 allied health professions.

- implemented the Nursing Strategy for B.C. to help reduce the nursing shortage.

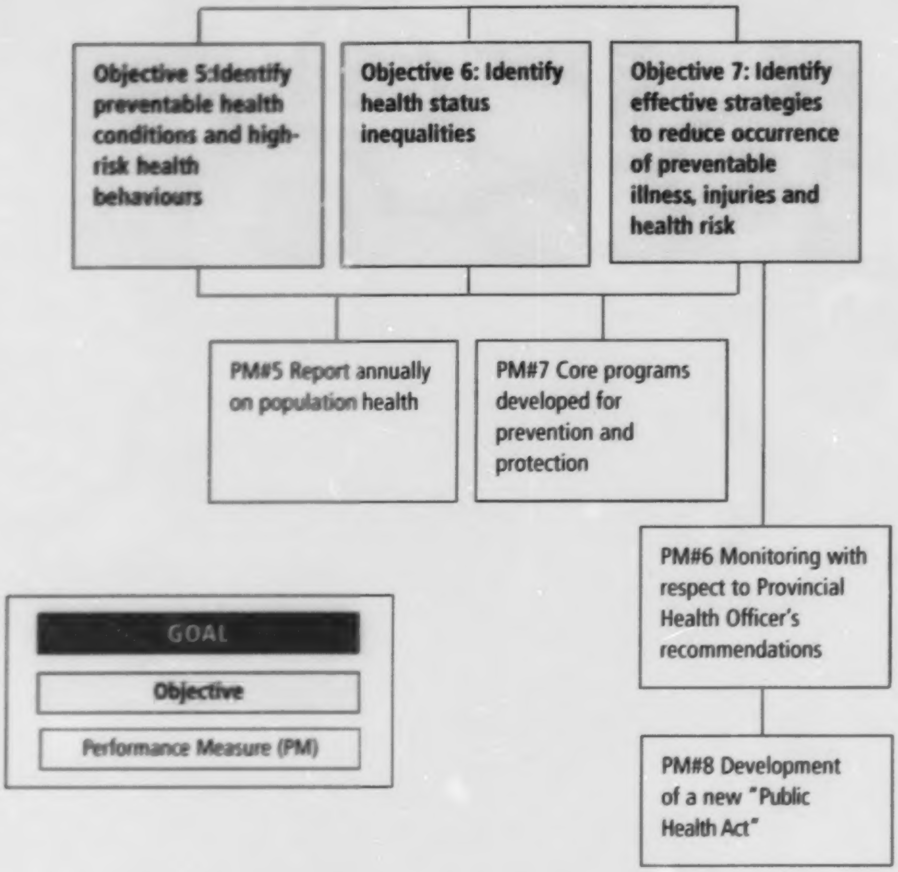
- approved, in collaboration with the Ministry of Advanced Education, new education seats at the UBC School of Medicine, UVIC and UNBC beginning in September 2002, to increase the number of physicians in B.C.

- collaborated with the Ministry of Advanced Education to increase the number of education seats for health sciences programs.

PM#4 Mechanisms established to determine patient satisfaction

This indicator measures the ministry's progress in establishing mechanisms to determine patient satisfaction. The task is to develop the research capacity to monitor the health care system from the perspective of the patients throughout the province. Information on patient satisfaction will support evidence-based decisions underlying policy, planning, and service delivery, and also support accountability, performance measurement, and public consultation.

GOAL 2 · IMPROVED HEALTH AND WELLNESS FOR BRITISH COLUMBIANS


Objective 5:Identify preventable health conditions and high-risk health behaviours
Objective 6: Identify health status inequalities
Objective 7: Identify effective strategies to reduce occurrence of preventable illness, injuries and health risk
PM#5 Report annually on population health
PM#7 Core programs developed for prevention and protection
PM#6 Monitoring with respect to Provincial Health Officer's recommendations
PM#8 Development of a new "Public Health Act"
GOAL
Objective
Performance Measure (PM)

PM#5 Report Annually on Population Health Status

This measure monitors the ministry's progress in reporting annually on the health status of the population. Population health information is a good indicator of the effectiveness of provincial health programs and services and supports efforts to improve them.

In 2001/02, the Provincial Health Officer released four reports:

- Health Status of Children and Youth in Care in British Columbia: What Do The Mortality Data Show? (May 2001). This report represents a step forward in British Columbia's ability to measure and monitor the health status of one particularly vulnerable group of children and youth - those who have come into government care. For the first time, death rates for children in care were calculated and compared with those of the general population.
- Detailed statistics on the above issue are contained in a companion report, Children and Youth in Care: An Epidemiological Review of Mortality, British Columbia, April 1974 to March 2000.
- Provincial Health Officer's Annual Report 2000: Drinking Water Quality in British Columbia: The Public Health Perspective (November 2001). This report discusses current drinking water quality issues in British Columbia from a public health perspective.

- Provincial Health Officer's Report on HIV Reportability (February 2002). This report recommends that HIV be added to the list of reportable conditions in Schedule A of the Health Act Communicable Disease Regulation. It also outlines a proposed process for public health involvement if HIV is made reportable.

In 2001/02, the Provincial Health Officer gathered data and other evidence on the health and well-being of Aboriginal peoples in British Columbia, and will release a comprehensive report in the summer of 2002.

PM#6 Monitoring with respect to the Provincial Health Officer's recommendations

This indicator measures to what extent the recommendations by the Provincial Health Officer (PHO) result in action within an appropriate time frame.

The ministry has taken action on two of the PHO reports.

- Provincial Health Officer's Report on HIV Reportability (February 2002): the Ministry of Health Planning has undertaken a focused consultation to hear additional input on certain aspects of the recommendations.
- Provincial Health Officer's Annual Report 2000: Drinking Water Quality in British Columbia: The Public Health Perspective (November 2001). Government is moving in response to the Provincial Health Officer's report and the subsequent Drinking Water Panel Review, established to review the Drinking Water Protection Act and make recommendations.

PM#7 Core programs developed for prevention and protection

This measure assesses the progress in developing core programs that will form the minimum service deliverables that the health authorities are required to provide for patients. Development of core programs will help to ensure consistency in the delivery of fundamental health programs to protect and improve the health of the population.

Work is currently underway in the Ministry of Health Planning to produce a project plan for the development of core public health programs. Consultation with health authorities on the core public health programs will begin in 2002/03 and will result in:

- the development of a list of prioritized core public health programs for protection and prevention in 2002/03;
- the development of program delivery expectations and performance measures in 2003/2004; and
- the incorporation of appropriate programs into a new Public Health Act in 2004/05.

PM#8 Development of a new "Public Health Act"

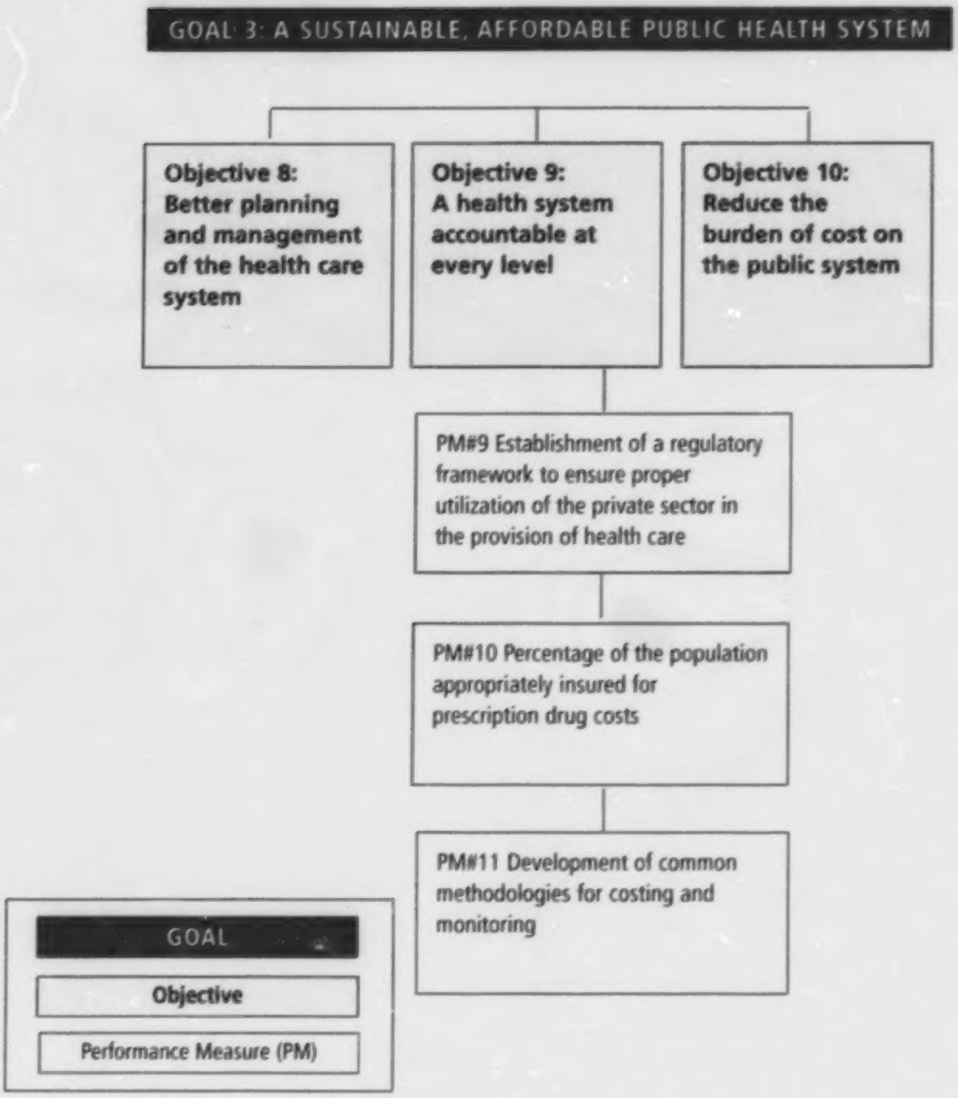
This measure will assess progress in the development of a new "Public Health Act", one of the components of the larger Population Health and Wellness Framework. This act will replace the current *Health Act*.

The intent of the new act is to:

- update the current legislation by eliminating obsolete structures and processes
- redefine roles, responsibilities, powers and authorities
- codify core public health programs.

The Act will specify that health authorities must provide or ensure the provision of a minimum level of core public health programs and services in specified areas. The Act may also authorize the Ministry of Health Planning to develop and publish guidelines that represent the minimum standards for the delivery of these programs and services.

The Provincial Health Officer and Population Health and Wellness have committed to developing the new "Public Health Act" by 2004/05.


GOAL 3: A SUSTAINABLE, AFFORDABLE PUBLIC HEALTH SYSTEM
Objective 8: Better planning and management of the health care system
Objective 9: A health system accountable at every level
Objective 10: Reduce the burden of cost on the public system
PM#9 Establishment of a regulatory framework to ensure proper utilization of the private sector in the provision of health care
PM#10 Percentage of the population appropriately insured for prescription drug costs
PM#11 Development of common methodologies for costing and monitoring
GOAL
Objective
Performance Measure (PM)

PM#9 Establishment of a regulatory framework to ensure appropriate utilization of the private sector in the provision of health care

This measure monitors the progress in establishing a comprehensive policy framework for alternate health service delivery. This framework is intended to give health authorities greater flexibility in determining how publicly funded insured services will be delivered. It will also ensure that quality, safety, and accountability standards are maintained. When adopted, the framework will establish the criteria for contracts or partnerships between the health authorities and private sector providers.

The ministry has begun development on the framework. It will ensure that:

- there is a demonstrated public benefit from private sector partnerships, and
- private sector provision of services is provided within the publicly funded health care system and is consistent with the *Canada Health Act*.

PM#10 Percentage of the population appropriately insured for prescription drug costs

This measure will monitor the percentage of the population that is appropriately insured for prescription drug costs. It is designed to ensure that British Columbians with lower incomes have access to prescription drugs when needed while also ensuring that Pharmacare is sustainable.

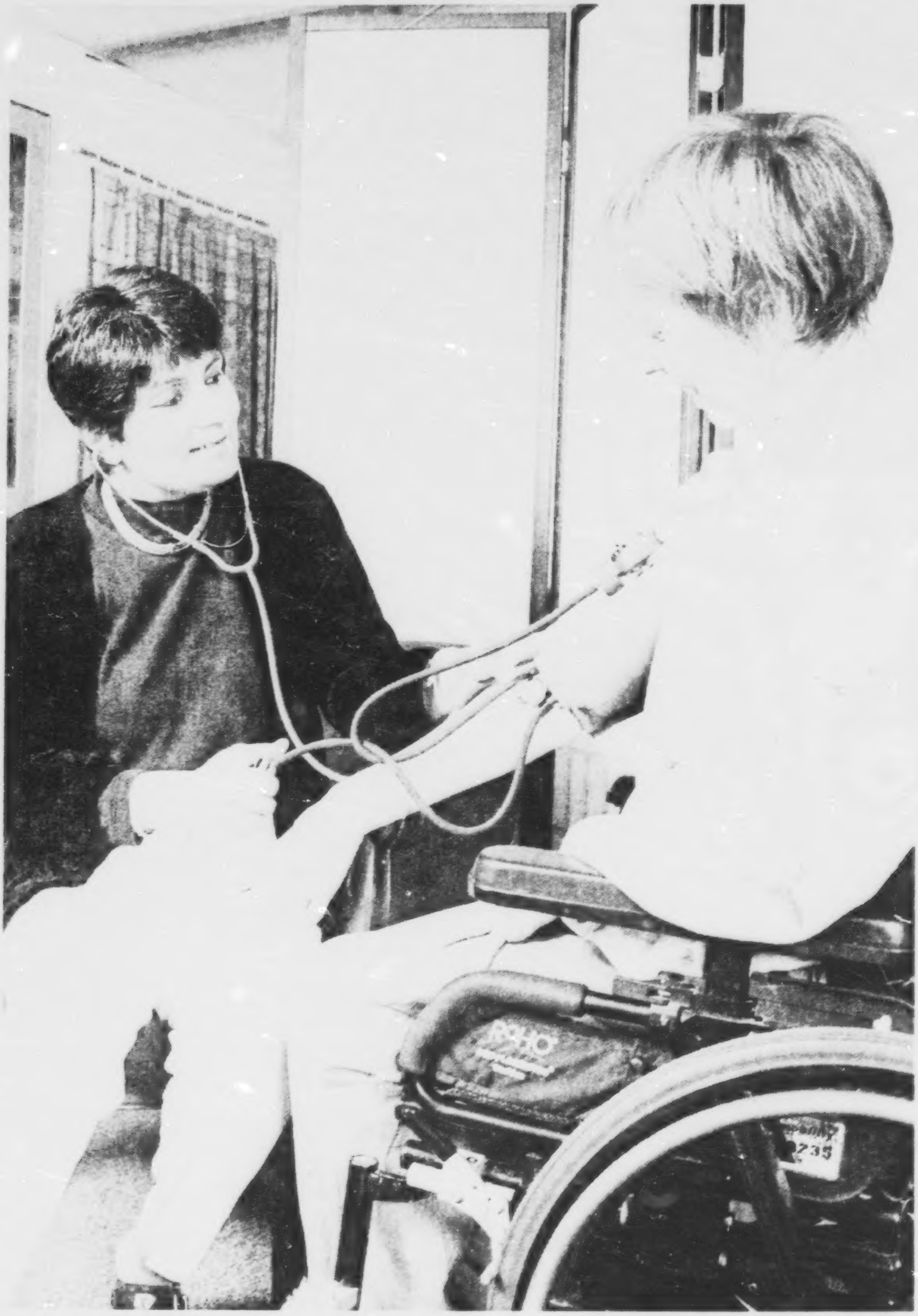
The ministry has begun work on establishing an income-testing mechanism for Pharmacare and research strategies to monitor the eventual health impacts of Pharmacare changes.

PM#11 Development of common methodologies for costing and monitoring

This measure will monitor the progress of the development of common methodologies to determine costs-per-patient for patients in a specific group. The group may be defined by disease, age, geographic location or other characteristics.

Patients usually receive care that is funded through multiple programs. To provide efficient, patient-centred care, especially for those with complex or multiple disorders or illnesses, a clear understanding of cross program costs and measurable outcomes is needed. The goal is to provide key planning tools so the health system can priorize and target the most effective and efficient health interventions. This work will proceed in conjunction with a Health Canada funded study to develop Canadian tools to support evidence-based decision-making.

The ministry has initiated work on estimating the burden of disease, injury and risk using summary measures of population health.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REPORT ON RESOURCES

MINISTRY OF HEALTH PLANNING 2001/02 RESOURCE SUMMARY

(Note 1)

	ESTIMATED	OTHER AUTHORIZATIONS	TOTAL	ACTUAL	VARIANCE	NOTE
OPERATING EXPENSES ($000)						
Minister's Office	580	–	580	325	255	2
Planning, Policy and Legislation	1,618	–	1,618	834	784	2
Governance and Accountability	2,600	–	2,600	2,155	445	2
Total	4,798	–	4,798	3,314	1,484	
FULL-TIME EQUIVALENTS (FTEs)						
Total	50	–	50	31	19	2
MINISTRY CAPITAL EXPENDITURES ($000)						
Information Systems			–		–	
Other			–		–	
Total	–	–	–	–	–	
CONSOLIDATED CAPITAL PLAN EXPENDITURES ($000)						
Purpose 1			–		–	
Purpose 2			–		–	
Total	–	–	–	–	–	
OTHER FINANCING TRANSACTIONS (NET DISBURSEMENTS) ($000)						
Purpose 1			–		–	
Purpose 2			–		–	
Total	–	–	–	–	–	

Notes

1) Estimated budget, other authorizations and actual amounts for 2001/02 as per draft Public Accounts. Figures are unaudited.

2) Recruitment lag and one-time savings account for the variance.

The Ministry of Health Planning was created in June, 2001 to provide a stronger focus and more sustained efforts towards proper long-term planning for B.C.'s health system, and to introduce new measures and expectations that will make the health system more accountable to British Columbians for the quality and effectiveness of the services it provides. The Health Planning ministry will also give health promotion and prevention activities a higher priority both as a means of improving the health and wellness of British Columbians, and as a means of creating a more sustainable system for the future. Having a ministry dedicated to long-term planning, creating a more accountable and sustainable health system, and a healthier population, are key to achieving the government's New Era vision and goals for health. Corporate support services (including financial, information management, human resources, client services and freedom of information and protection of privacy functions) are provided to the ministry by the Ministry of Health Services.

3) The structure of the health ministries has changed significantly since the 2001/02 budget was tabled in the Legislative Assembly on July 30, 2001. By necessity, the public accounts reflect the results of operations against the budget approved by the Legislative Assembly for 2001/02, and those figures are reflected in the ministries' annual reports for the year. For the 2002/03 fiscal year, the budget reflects the new organizational structure and mandate.

APPENDIX 1 – ACTS UNDER THE JURISDICTION OF THE MINISTER OF HEALTH PLANNING

Chiropractors Act

Dentists Act

Emergency Contraceptive Access Act

Health Act, ss. 2 to 7

Health Emergency Act – ss. 6 – 9, and 14(2)(a) and (b)

Health Professions Act

Health Research Foundation Act

Hearing Aid Act

Marriage Act

Medical Practitioners Act

Medicare Protection Act, ss. 3 – 6

Name Act

Nurses (Registered) Act

Optometrists Act

Pharmacists, Pharmacy Operations and Drug Scheduling Act, except Part 8 and ss. 37– 39

Podiatrists Act

Seniors Advisory Council Act

Tobacco Damages and Health Care Costs Recovery Act

Tobacco Sales Act

Vital Statistics Act

Wills Act – Part 2

APPENDIX 2 – PROFESSIONS ADMINISTERED BY THE MINISTER OF HEALTH PLANNING

Acupuncturists
Chiropractors
Dental Hygienists
Dental Technicians
Dentists
Denturists
Emergency Medical Assistants
Hearing Aid Dealers (including audiologists in private practice)
Licensed Practical Nurses
Massage Therapists
Medical Practitioners
Midwives
Naturopaths
Occupational Therapists
Opticians
Optometrists
Pharmacists
Physical Therapists
Podiatrists
Psychologists
Registered Nurses
Registered Psychiatric Nurses
Traditional Chinese Medicine Practitioners

APPENDIX 3 – 2001/02 LEGISLATIVE CHANGES

Four Acts, three administered by the Ministry of Health Services and one administered by the Ministry of Health Planning, were amended or enacted during the 2nd and 3rd Legislative Sessions of the 37th Parliament in 2001 and the first quarter of 2002.

Ministry of Health Services

HEALTH AUTHORITIES AMENDMENT ACT (NO. 2), 2001

(BILL 9, 2nd Session)

This Bill repealed provisions of the *Health Authorities Act* and the *Expropriation Act* that allowed for the mandatory amalgamation of a private corporation with a health authority without compensation.

HEALTH AND SOCIAL SERVICES DELIVERY IMPROVEMENT ACT, 2002

(BILL 29, 2nd Session)

This Bill enabled health employers to deliver cost effective and improved services to the public by

- facilitating implementation of new health authorities restructuring,
- permitting more flexible work arrangements,
- removing excessive layoff and bumping provisions, and
- allowing improved service delivery through open tendering.

MEDICAL SERVICES ARBITRATION ACT, 2002

(BILL 9, 3rd Session)

This Bill cancelled the arbitration between the government and the British Columbia Medical Association and discontinued all further rights and obligations under the arbitration. It also declared as void or amended specific contractual provisions respecting interest arbitration.

Ministry of Health Planning

MISCELLANEOUS STATUTES AMENDMENT ACT, 2001

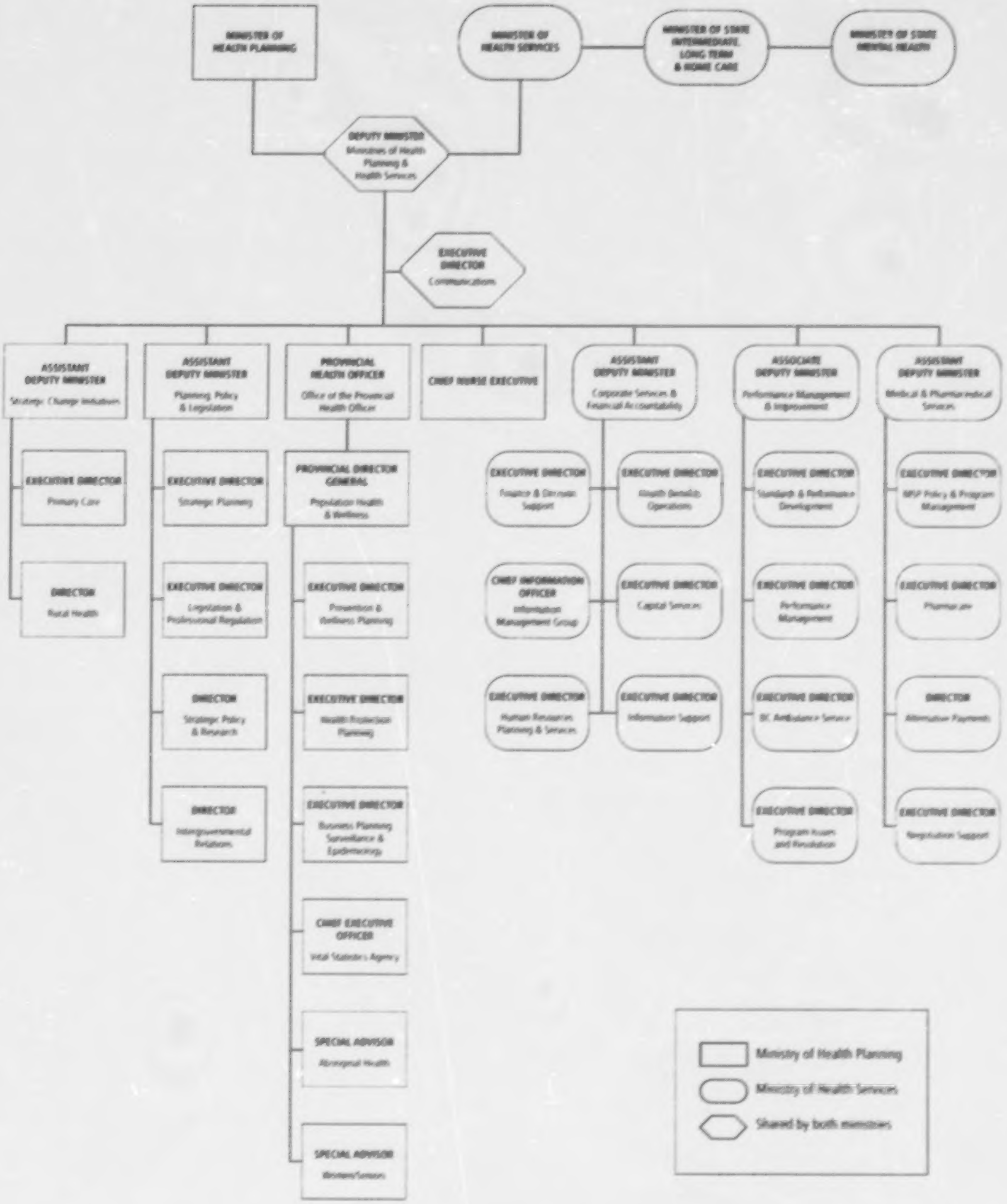
(BILL 11, 2nd Session)

This Bill repealed certain provisions of the *Medical Practitioners Act* pertaining to the practice of complementary medicine by medical practitioners where those provisions:

- restricted the College's ability to evaluate applicants for admission where the applicant supports the use of complementary medicine;
- limited the circumstances in which an investigation committee could be appointed to examine the skills of knowledge or a practitioner;
- restricted the ability of an inquiry committee in a disciplinary matter to make findings with respect to a practitioner who used complementary medicine.

The Bill also amended the Act to provide that the practice of a non-conventional therapy by a member is not by itself a basis for holding that the member is incompetent or guilty of professional misconduct unless it can be shown that the therapy poses a greater risk to patient health or safety than does prevailing medical practice.

APPENDIX 4 – MINISTRY ORGANIZATIONAL CHART FOR MARCH 2002


MINISTER OF HEALTH PLANNING
MINISTER OF HEALTH SERVICES
MINISTER OF STATE INTERMEDIATE, LONG TERM & HOME CARE
MINISTER OF STATE MENTAL HEALTH
DEPUTY MINISTER Ministries of Health Planning & Health Services
EXECUTIVE DIRECTOR Communications
ASSISTANT DEPUTY MINISTER Strategic Change Initiatives
ASSISTANT DEPUTY MINISTER Planning, Policy & Legislation
PROVINCIAL HEALTH OFFICER Office of the Provincial Health Officer
CHIEF NURSE EXECUTIVE
ASSISTANT DEPUTY MINISTER Corporate Services & Financial Accountability
ASSOCIATE DEPUTY MINISTER Performance Management & Improvement
ASSISTANT DEPUTY MINISTER Medical & Pharmaceutical Services
EXECUTIVE DIRECTOR Primary Care
DIRECTOR Rural Health
EXECUTIVE DIRECTOR Strategic Planning
EXECUTIVE DIRECTOR Legislation & Professional Regulation
DIRECTOR Strategic Policy & Research
DIRECTOR Intergovernmental Relations
PROVINCIAL DIRECTOR GENERAL Population Health & Wellness
EXECUTIVE DIRECTOR Prevention & Wellness Planning
EXECUTIVE DIRECTOR Health Protection Planning
EXECUTIVE DIRECTOR Business Planning Surveillance & Epidemiology
CHIEF EXECUTIVE OFFICER Vital Statistics Agency
SPECIAL ADVISOR Aboriginal Health
SPECIAL ADVISOR Women/Seniors
EXECUTIVE DIRECTOR Finance & Decision Support
EXECUTIVE DIRECTOR Health Benefits Operations
CHIEF INFORMATION OFFICER Information Management Group
EXECUTIVE DIRECTOR Capital Services
EXECUTIVE DIRECTOR Human Resources Planning & Services
EXECUTIVE DIRECTOR Information Support
EXECUTIVE DIRECTOR Standards & Performance Development
EXECUTIVE DIRECTOR Performance Management
EXECUTIVE DIRECTOR BC Ambulance Service
EXECUTIVE DIRECTOR Program Issues and Resolution
EXECUTIVE DIRECTOR MSP Policy & Program Management
EXECUTIVE DIRECTOR Pharmacare
DIRECTOR Alternative Payments
EXECUTIVE DIRECTOR Negotiation Support
Ministry of Health Planning
Ministry of Health Services
Shared by both ministries

MINISTRY OF HEALTH SERVICES

A NEW ERA UPDATE

BRITISH COLUMBIA
Ministry of Health Services

2001/02 ANNUAL REPORT

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Health Services.
Annual report. – 2001/02-

Annual.
"A new era update."
Report year ends Mar. 31.
Continues in part: British Columbia. Ministry of Health and Ministry Responsible for Seniors. ISSN 1499-0350
ISSN 1703-4590 = Annual report - British Columbia. Ministry of Health Services

1. British Columbia. Ministry of Health Services - Periodicals. 2. Medical policy – British Columbia – Periodicals. 3. Medical care - British Columbia – Periodicals. 4. Medicine, State - British Columbia – Periodicals. 5. Public health - British Columbia – Periodicals. I. Title. II. Title: Ministry of Health Services annual report.

RA185.B7B74   353.6'09711'05   C2002-960153-3

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Published by the Ministry of Health Services

INTRODUCTORY NOTE – A YEAR IN-TRANSITION

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

ACCOUNTABILITY STATEMENT

The 2001/02 Ministry of Health Services Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's New Era commitments, which are to be addressed by May 17, 2005.

Colin Hansen

Honourable Colin Hansen
Minister of Health Services
June 28, 2002

MINISTERS OF STATE ACCOUNTABILITY STATEMENTS

I am the Minister of State for Mental Health and, as such, am accountable for the basis on which that portion of the annual report was prepared and for the results achieved since June 5, 2001.

Cheema

Honourable Gulzar Cheema
Minister of State for Mental Health
June 28, 2002

I am the Minister of State for Intermediate, Long Term and Home Care and, as such, am accountable for the basis on which that portion of the annual report was prepared and for the results achieved since June 5, 2001.

Katherine Whittred

Honourable Katherine Whittred
Minister of State for Intermediate, Long Term and Home Care
June 28, 2002

MESSAGE FROM THE MINISTER OF HEALTH SERVICES

I am pleased to present the 2001/02 Annual Report: A New Era Update for the Ministry of Health Services.

When our new government was sworn into office in June 2001, the Ministry of Health Services was given the responsibility of implementing our New Era commitments: renewing our health care system, developing innovative solutions, and putting a priority on meeting the needs of patients. Health care is all about people – the British Columbians who receive health services across the province, the health professionals who discuss the treatment options for their patients, and the families and friends who visit and support an individual in care. It is the people that our ministry has focused on during the past year – a challenging transition year.

The New Era commitments address complex challenges in B.C.'s health care system such as human resources, hospital facilities, intermediate and long-term care facilities, and technology and medical equipment. These are all aimed at improving the delivery of services to patients. We have put a new focus on mental health and home and community care by expanding choices and providing more appropriate care to patients. In all, we have implemented or are well on our way to implementing more than half of our New Era commitments.

The Ministry of Health Services' budget increased by $1.1 billion to $9.5 billion in 2001/2002. Over the last decade, health spending has increased from about 33 per cent to almost 39 per cent of the total provincial budget in B.C. Clearly, spending increases of this magnitude are simply not sustainable in the long-term, underscoring the need for a better way to manage health care resources.

We have listened to British Columbians, health care providers and other partners on how to save our public health care system. Our government hosted a Dialogue on Health with health professionals, administrators and other experts to identify new solutions to improve patient care. Our government also initiated the Select Standing Committee to tour the province and receive feedback on changes needed for the health system, as reflected in the Patient's First report. We understand that British Columbians want strong leadership, accountability and a sustainable health system for the future.

The Ministry of Health Services is working with our health care partners to develop innovative approaches to achieve our vision of a health system that ensures high quality public health care services that meet patients' needs, where they live and when they need them. We are working closely with the Ministry of Health Planning to establish provincial access standards and guidelines for emergency, acute care and specialty services. We are implementing performance agreements and three-year funding agreements with health authorities. These will help measure the performance of our health system, enhance accountability to the public and government for health dollars spent, and ensure patients receive the care they need.

From an extensive Electronic Health Record project that will change the way we all share and use health information, to new province-wide strategies for delivering patient care for everything from chronic disease management to mental health, we are moving towards a new era of excellence in health care.

This annual report enables the public and our health care partners to understand the goals, vision, priorities and achievements that we have made during the 2001/2002 fiscal year. This report presents key events and changes made in B.C.'s health care system and the ministry's role and services. It also details the ministry's progress on each of the New Era commitments relating to its mandate.

I would like to thank all the health care providers and other partners in ensuring patients receive the care they need. Our government is committed to working together to achieve our vision of health care in British Columbia.

Colin Hansen

Honourable Colin Hansen
Minister of Health Services

MESSAGE FROM THE MINISTER OF STATE FOR MENTAL HEALTH

Our government is committed to improving mental health services in British Columbia. Premier Gordon Campbell created my position as Minister of State for Mental Health to ensure that mental health care is on the provincial health care agenda. We have given mental health a voice at the Cabinet table.

Over the past year, the Ministry of Health Services has taken a number of steps towards achieving our New Era commitments to provide high quality, patient-centred care.

We made a New Era commitment to fully fund and implement B.C.'s Mental Health Plan. To fulfill that commitment, we recently announced a $263-million investment over the next six years. This funding will be used to enhance community services and build new facilities throughout the province. We will move away from the institutional treatment of those with a mental illness to a system that cares for people in the appropriate setting – close to their communities and loved ones. These new facilities will be in home-like settings where patients can receive the appropriate level of care for their individual needs.

The Ministry of Health Services and the Ministry of Children and Family Development are reviewing Child and Youth Mental Health Services to develop a provincial child and youth mental health plan. Our goal is to enhance and coordinate the transition of programs and services for children, youth and families. An advisory committee has been working closely with both ministries to ensure child and youth services are child-centred, and promote healthy development.

In order to reform mental health services, it is also necessary to implement quality practices to create a cultural shift. The Ministry of Health Services has released the Guidelines for Elderly Mental Health, and work is underway to develop a Provincial Anxiety Disorders Strategy Report, a Provincial Depression Strategy, and a Mentally Disordered Offenders Handbook. The ministry is also establishing best practices guidelines in several areas of mental health care, including the following: Support for Families With Parental Mental Illness; Mental Health Patient Rights; and Mental Health Care for Women.

Our government is committed to working with all British Columbians to improve the lives of those with a mental illness.

Honourable Gulzar Cheema
Minister of State for Mental Health

MESSAGE FROM THE MINISTER OF STATE FOR INTERMEDIATE, LONG TERM AND HOME CARE

Our government is committed to high quality, patient-centred care and achieving this goal will require significant changes at all levels of B.C.'s health system. Premier Gordon Campbell created my position of Minister of State for Intermediate, Long Term and Home Care to help fulfill our government's commitment to provide British Columbians with the level of care they need, when they need it and where they live.

Those of us with responsibility for home and community care services know that we must increase the capacity of communities to enable people to live independently. As well, we must ensure appropriate residential care for those with more complex needs.

We also know that seniors – those people over 65 years old – currently make up about 13 per cent of the provincial population. In the next 25 years, they will represent 21 per cent of the population.

Not only is the number of elderly growing, but our seniors and people with disabilities are generally healthier, more educated and lead more active lives. They want options in the type of care they receive and where they receive it. They are looking to government to provide a broader range of options than are currently available – options that will promote independence, choice and quality of life.

The challenge we face is to meet the needs of British Columbians in a sustainable way.

At present, there are gaps in the continuum of home and community care – gaps that prevent independent living. As part of our New Era commitments, our government has taken steps to bridge some of the existing gaps in the continuum of care. We have made a commitment to expand home care and palliative care services to assist chronically and terminally ill patients with supportive home environments, as an option to institutional care.

We have also committed to work with the private and not-for-profit sector to build and operate an additional 5,000 new intermediate and long-term beds for our aging population by 2006. In 2002, we took the first step by announcing 3,500 new supportive living units to be introduced over the next three years.

To meet these commitments, the Ministry of Health Services is finalizing a Home and Community Care Strategy that will significantly transform Home and Community Care over the coming years.

We must shift away from more costly and less than ideal institutional solutions to care that is more appropriately delivered in people's homes and communities. That is the premise for our new home and community care strategy.

We have engaged an expert panel to develop a discussion paper on end of life care for consultation, leading to a provincial strategy. The strategy will examine how the range of home and community care services can better serve terminally ill British Columbians.

The recently implemented Palliative Care Benefits Program supports people living at home with an end-stage illness by providing medication for pain and symptom relief, and medical supplies and equipment, at no charge.

These measures bridge some of the gaps on one end of the spectrum of home and community care services. But there are more areas along the continuum of care that need work.

We made a commitment to develop an Intermediate and Long Term Care Facilities Plan that will address the needs of our aging population and free up existing acute care beds.

The steps we take over the next few years in government, and in both the non-profit and private sectors, will ensure British Columbians will have access to the support and health care options that meet their unique needs.

Katherine Whittred

Honourable Katherine Whittred
Minister of State for Intermediate, Long Term and Home Care

MESSAGE FROM THE DEPUTY MINISTER

I am pleased to present the 2001/02 Annual Report of the Ministry of Health Services. The past fiscal year has been a year of transition - and a year of facing challenges, developing innovative solutions, and creating a new vision for B.C.'s health care system. Our health care system faces challenges on a number of fronts, and these are not unique to British Columbia. These include addressing critical skills shortages and staffing levels of health professionals, cost pressures on our health care system, and the increasing demand for health services due to a growing and ageing population. These challenges are being felt in communities and provinces across Canada.

To address these challenges, the former Ministry of Health was reorganized, and a new ministry focusing on health planning was created. The Ministry of Health Planning and the Ministry of Health Services are now working closely on innovative ways to build a sustainable health system for the future. The number of health authorities has been reduced, from 52 to six, to achieve greater efficiency so resources can be redirected to patients. These newly created health authorities have now established three-year health service plans to reform and renew patient services for each region. As well, performance agreements have been established to ensure health authorities are accountable for fulfilling their duties and providing patient care that meets British Columbians' needs. This fundamental restructuring has allowed the creation of organizational structures, which enable us to work closely together with the health authorities to plan the much needed change in our health care system.

As you will see from this report, along with these significant structural changes, there has been an enormous amount of work done and goals accomplished during this year of transition. Our achievements have been focused on the need to ensure all citizens in every part of the province have access to high quality health services across the continuum of care. In addition, we are building a comprehensive culture of accountability for the work we do in government and the work done by our colleagues in the health sector.

Our achievements are due in a large part to the dedication, commitment, and extraordinary contributions of our staff, health authorities and health care partners. Our progress to date has already positioned us to better meet the needs of our citizens in the area of health care.

Penny Ballem, MD
Deputy Minister

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YEAR-AT-A-GLANCE HIGHLIGHTS

SETTING THE CONTEXT FOR CHANGE

2001/02 was a year that signalled the beginning of a new era in the management of B.C.'s public health care system. The stage was set for sweeping changes required to renew the system, and to help British Columbians in their efforts to maintain and improve their health.

Those changes are affecting the way services are delivered in a very real way. It is important for British Columbians to understand reasons for the changes they see taking place in their communities.

In the recent past, our health system has been under constant pressure to treat more people, expand services and increase wages to service providers. New technology, drugs and surgical procedures bring the promise of better health outcomes and fuel increased public demand for services. The government provided more than $1 billion in new funding to the provincial health budget in 2001/02, and yet, there seems to be unlimited demand for more.

British Columbians are asking, "if we're having trouble meeting demands now, how will we afford health care in the future?"

In fact, the problems we face today are not new, and British Columbia is not alone in this struggle. In 2001, the federal government announced a national commission on the future of health care in Canada, headed by Roy Romanow. The commission will make recommendations on how to sustain a publicly funded health system that balances investments in prevention and health maintenance with those directed to care and treatment.

The Romanow Commission is not the first of its kind. Governments have been searching for solutions through a series of health care reviews including: Alberta's Mazankowski Commission, Saskatchewan's Fyke Commission, Quebec's Clair Commission and the federal Kirby Commission.

In British Columbia in 2001, two comprehensive provincial reviews were undertaken, which helped provide the framework for change. The first of these, the Fiscal Review, examined the province's finances. The second, called the Core Services Review, examined all government programs and services.

Throughout the year, consultations on the health system were held. The Premier's Dialogue on Health was a forum which brought together 140 health care professionals, administrators, patients, community leaders, union representatives, other experts from across British Columbia and Canada, and members of Cabinet, to identify solutions for saving and renewing public health care and protecting patient care. The Legislative Assembly Select Standing Committee on Health received 700 submissions and held hearings around the province to involve the public in the discussion.

These reviews and consultations confirmed that B.C.'s health care system is facing a wide array of challenges to its long-term sustainability. Three key issues were identified: growing demands on publicly funded services, structural barriers which impact patient care, and a need for better planning and stronger accountability to patients and taxpayers.

Demands on B.C.'s Publicly Funded Services

British Columbians are among the healthiest people in the world, with relatively high life expectancies – 76.5 years for men and 81.4 years for women. However, as our population ages and grows, it uses health services at increasingly higher rates.

The 'demand' drivers for health services are:

- Population growth
- An aging population
- New technology and drugs
- The patterns of disease

Generally, annual population growth in B.C. is in the range of one per cent, however growth in the 80- to 85-year age group has exceeded six per cent in recent years. Changing demographics will continue to have significant implications for the system, particularly as our baby boomers age.

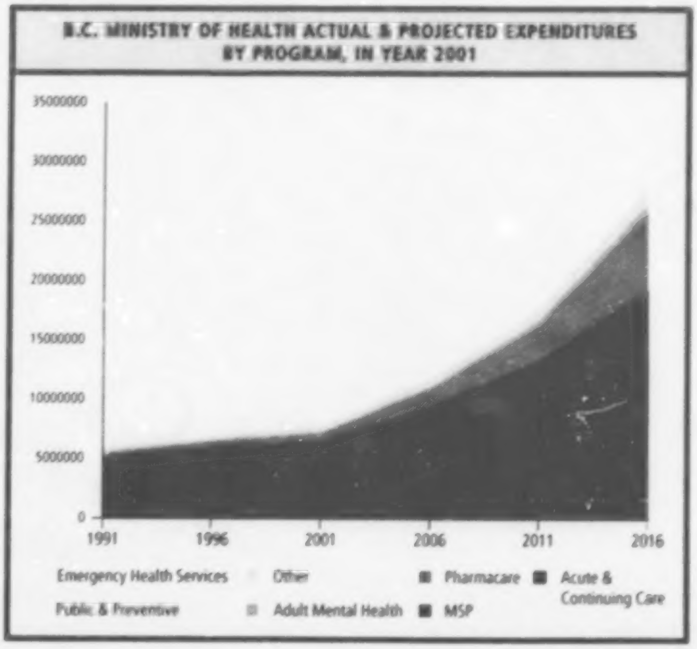
Public expectations are also rising, along with the availability of new technologies and advancements in medical procedures. In many cases, those new technologies allow more services to be delivered safely to more patients. For example, the coronary by-pass surgery rate for seniors has risen 51 per cent in the last 10 years, in part because improvements in this type of surgery have allowed a wider range of patients to benefit from it. New developments in treatments, drugs and diagnostic procedures are typically expensive, and are hitting the market with increasing regularity. The budget for cancer drugs has increased by almost 250 per cent in the last six years. The challenge is to ensure the public system makes the best use of technology, based on patient need and the best evidence about the impact of the technology on patient outcomes.

B.C.'s health care professionals and support workers are among the highest paid in the country. The worldwide shortages of health care professionals will continue to exert pressure on the system. Labour accounts for approximately 80 per cent of health care costs for services delivered in hospitals and through community programs.

Health care costs in B.C. have been growing three times faster than the growth rate of the economy. Pharmacare costs have been rising at a rate of roughly 15 per cent per year in recent years.

The graph shows where the province's health care costs would have been headed without change. B.C.'s health care system, if left to expand according to historical experience and demographic trends, would

B.C. MINISTRY OF HEALTH ACTUAL & PROJECTED EXPENDITURES BY PROGRAM, IN YEAR 2001



have increased at a rate of approximately 6.5 per cent per year.

Structural Barriers

A number of structural barriers must be eliminated and business arrangements improved to support high quality, sustainable patient care.

Emergency wards in acute care hospitals are the safety net for the system but are frequently used where less expensive care could be provided. Services delivered through hospitals are among the most expensive in the system, and are not always the most appropriate care for patients. Prevention initiatives and alternative community services such as hospice have traditionally had difficulty competing with demand for immediate cures. This means missed opportunities for breaking the cycle of over-reliance on hospital care.

Health care professionals require improved access to **patient information** as patients move through different parts of the system. Poor information can lead to gaps, duplication and variation in quality of services provided.

As well, **traditional methods of compensation** may not encourage the most effective system of care. For example, the fee-for-service system for physicians emphasizes the volume of services rather than continuity of care. The ministries are working with physicians to identify better alternatives.

Health authorities provide many of the services British Columbians think of when considering health care: acute care, residential care, mental health and public health services. Previously, 52 independent health authorities provided those services to British Columbians. The result was a cumbersome and inflexible system, difficult to manage, with overlapping responsibilities and minimal accountability to the public. Many regions were simply too small, lacking a sufficient population base to provide a broad range of quality services.

In addition to these structural barriers, **federal contributions** to health spending in B.C. fell significantly behind the increased costs of health care borne by the province.

Need for Better Planning and Accountability

At the provincial level, there was insufficient focus on the critical functions of long-term strategic human resource planning and long-term planning for capital facilities and information technology needs. There was too much emphasis on dollars spent and too little attention paid to whether particular expenditures improved patient care. As well, the accountability relationship between health authorities and government was weak.

Recognizing the problems in such a large and complex system was an important first step towards improving it. The next step was to plan new approaches and start implementing them. The following sections highlight the changes and accomplishments of the past year.

RENEWING HEALTH CARE—A YEAR OF CHANGE

New Roles and Mandates

One of the first tasks to achieve change was to restructure the system—to build a framework to guide and support the envisioned renewal and sustainability of the system.

In June 2001, the former Ministry of Health and Ministry Responsible for Seniors was restructured into two ministries—the Ministry of Health Planning and the Ministry of Health Services—to reflect the priority government places on a planned and accountable system. While both ministries provide overall leadership and direction for the health system, the Ministry of Health Planning was created specifically to address long-term planning for health services.

The Ministry of Health Services is responsible for implementing performance expectations and monitoring results for health authorities, and planning and administering the Medical Services Plan, Pharmacare and the Ambulance Service.

In December 2001, health authorities were reduced from 52 to six, setting the stage for a consolidation of services and the establishment of provincial accountability mechanisms. This includes service standards and performance agreements to be implemented in the 2002/03 fiscal year.

The breakdown of the ministries' and health authorities' mandates and functions is as follows:

Ministry of Health Planning

Mandate to develop and articulate expectations of health system performance and monitor the health of British Columbians.

Functions:

- Report on population health and respond
- Plan
- Develop legislation, policy, standards and other performance management tools

Ministry of Health Services

Mandate to fund, monitor and evaluate health system performance against clearly stated expectations.

Functions:

- Fund and direct health authorities
- Monitor and evaluate health authority performance and respond
- Operate Pharmacare and Medical Services Plan (MSP)
- Provide emergency services (B.C. Ambulance Service)

Health Authorities

Mandate to effectively and efficiently manage and deliver a range of health services, including acute and hospital care, home and community care, mental health, addictions and public health services.

Functions:

- Deliver and manage patient services
- Develop and report on patient and management outcomes
- Facilitate community input

MINISTRY RESTRUCTURING – REFOCUSING ON PRIORITIES

In January 2002, the Ministry of Health Planning and the Ministry of Health Services announced further structural changes to enable the ministries to refocus on setting overall policy and direction and monitoring performance.

The health planning ministry was created to provide a stronger focus on, and sustained effort toward, long-term planning for health services. There are three divisions under the new ministry structure. The Strategic Change Initiatives Division oversees specific projects designed to improve service quality, access and efficiency–for example, specific primary care projects planned for implementation in 2002/03. The Planning, Policy and Legislation Division works with health care partners in developing long-term plans, standards and a broad accountability framework for the health system. Responsibility for the health and wellness function was realigned with the Office of the Provincial Health Officer and transferred to the Ministry of Health Planning to renew efforts for developing strategies for disease prevention.

The health services ministry was restructured to align its organization with its new mandate, and established review and planning processes for devolving most remaining direct care services to health authorities. For example, Addictions Services will be transferred to the health authorities in 2002/03. The many divisions and programs in the ministry were reconfigured to support core business functions. Some offices were consolidated and some lower priority services were discontinued. The operational functions of Pharmacare and the Medical Services Plan were transferred to the Corporate Services and Financial Accountability Division, while the policy responsibilities were transferred to the newly created Medical and Pharmaceutical Services Division.

These decisions are consistent with the provincial government's priority to target spending on maintaining the delivery of direct patient services. Overall, these strategic shifts will result in reductions of more than 40 per cent in some corporate and program management budgets for both health ministries. The associated savings will help fund patient care.

Health Authority Restructuring—Focusing on Patient Care

As part of its strategic planning role, the Ministry of Health Planning took on the difficult task of restructuring health authorities. The previous regional governance structure was the most complex in Canada. With 52 health authorities, it was difficult to manage and had lost its focus on patient care.

The large number of separate health regions set up artificial barriers. For example, Kelowna and Vernon share many resources such as an airport, university-college, TV station and even a phone book. But they did not share a health region, even though hundreds of people from Vernon are treated at Kelowna General Hospital.

To make operations more efficient and accountable to patients and government, 15 health service delivery areas were established to reflect natural patient referral patterns. Five governing authorities–responsible for planning and co-ordinating services across the 15 health delivery areas–were created. Dividing the province into five geographic health authorities provides enough of a population base and budget in each to offer a full range of services, and provides opportunities for economies of scale.

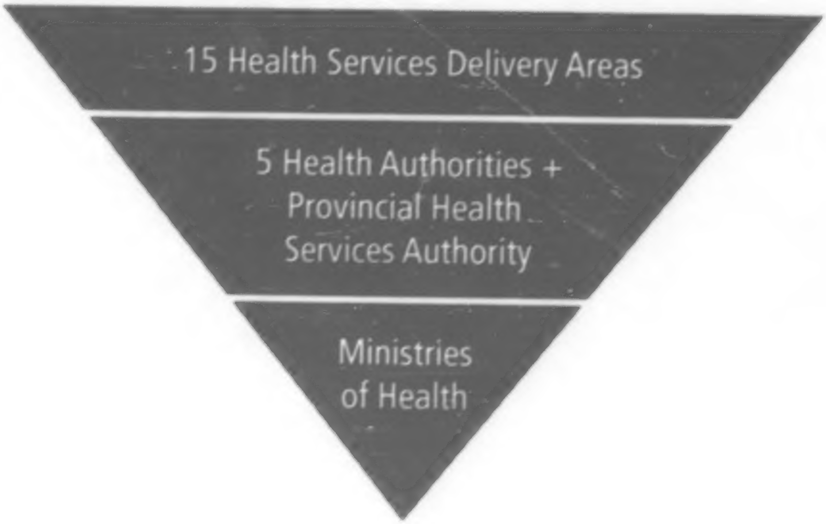
The ministry also established a Provincial Health Services Authority. This authority coordinates and delivers highly specialized services that can't be offered in all regions. It is also responsible for facilitating coordination of provincial initiatives, which will improve access to care.

Changing the structure is only the first step. The ministry has also changed how health authorities are funded. Instead of funding for one year, health authorities receive three-year budgets so they can plan ahead. A new population-based funding model was also developed in 2001/02 for implementation in 2002/03. The model takes into account the characteristics of the regions' population and its associated health needs, with the aim of ensuring fairness and transparency.

In March 2002, the health planning minister announced the new community members of the Health Authority Boards. Members were chosen for their leadership skills, decision-making abilities and willingness to be accountable through performance agreements.

The final result is a new structure that is simplified, functional and highly accountable to patients and British Columbians.

New Structure for B.C.'s Health Care System

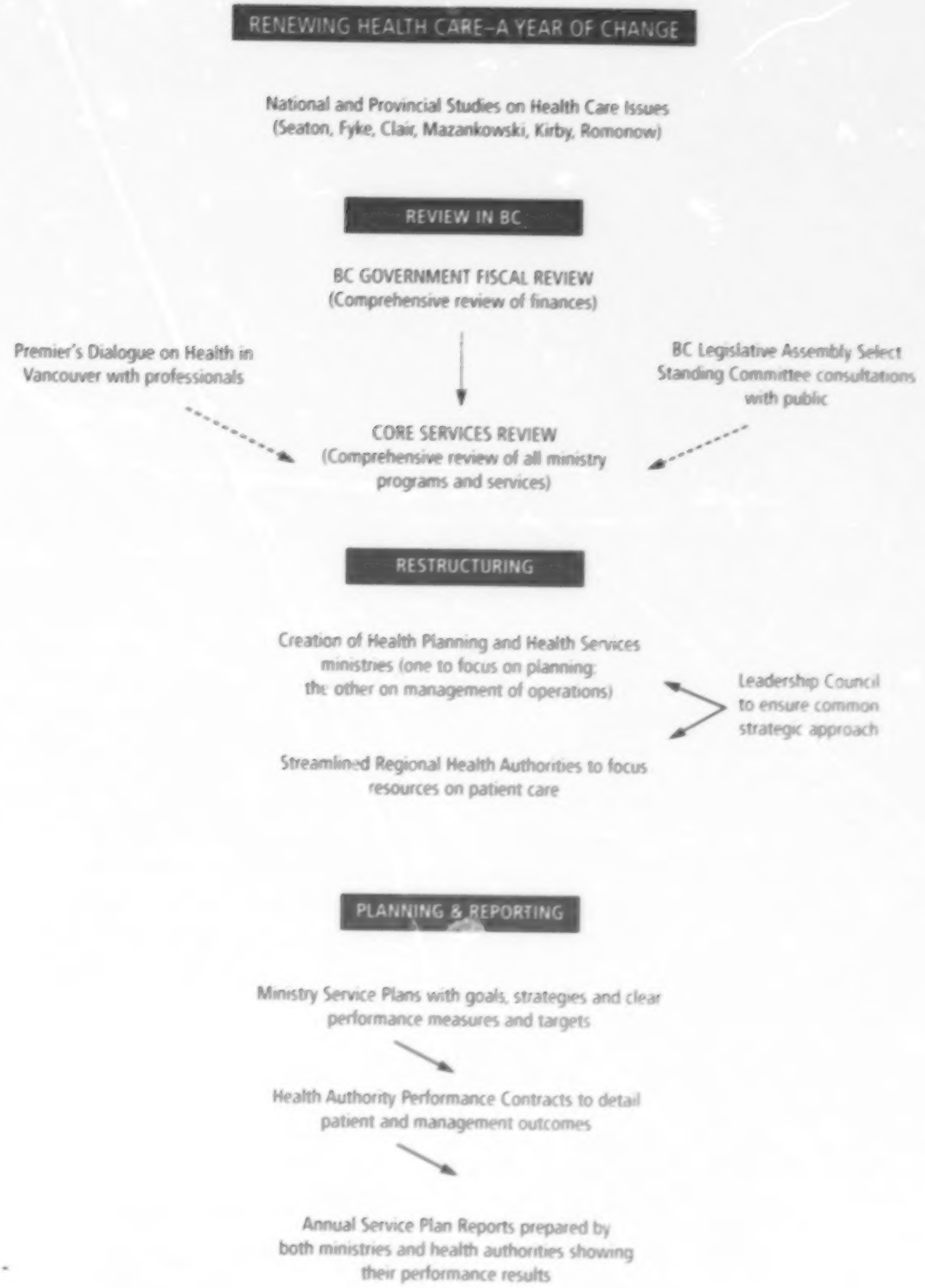

15 Health Services Delivery Areas
5 Health Authorities + Provincial Health Services Authority
Ministries of Health

Leadership Council—Coordinating New Relationships

A Leadership Council was established, with representation from the Chief Executive Officers in health authorities and senior representatives from the health ministries. The council is chaired by the Deputy Minister and provides input on establishing strategies, direction and accountability frameworks.

Bill 29—A Major Tool for Change

In January 2002, the government introduced the Health and Social Services Delivery Improvement Act (Bill 29). The Act ensures health authorities have the flexibility to make decisions about services and staff in the best interest of patient care.



RENEWING HEALTH CARE–A YEAR OF CHANGE

National and Provincial Studies on Health Care Issues
(Seaton, Fyke, Clair, Mazankowski, Kirby, Romonow)

REVIEW IN BC

BC GOVERNMENT FISCAL REVIEW
(Comprehensive review of finances)

Premier's Dialogue on Health in Vancouver with professionals

BC Legislative Assembly Select Standing Committee consultations with public

CORE SERVICES REVIEW
(Comprehensive review of all ministry programs and services)

RESTRUCTURING

Creation of Health Planning and Health Services ministries (one to focus on planning; the other on management of operations)

Leadership Council to ensure common strategic approach

Streamlined Regional Health Authorities to focus resources on patient care

PLANNING & REPORTING

Ministry Service Plans with goals, strategies and clear performance measures and targets

Health Authority Performance Contracts to detail patient and management outcomes

Annual Service Plan Reports prepared by both ministries and health authorities showing their performance results

F7

MINISTRY ROLE AND SERVICES

Vision

A health system that ensures high quality public health care services that meet patients' needs where they live and when they need them

WHAT IS THE ROLE OF THE MINISTRY OF HEALTH SERVICES?

The Ministry of Health Services provides funding, direction and leadership to regional health authorities in support of the delivery of quality health care services throughout the province. In turn, the health authorities run the system's day-to-day operations. The ministry works with the authorities to develop three-year budgets and provide annual funding. The ministry also implements performance agreements with the health authorities that outline clear objectives for the health care system. To allow for continuous improvements, the ministry monitors results and reports back to the health authorities, government and all British Columbians.

Mandate

The Ministry of Health Services funds, monitors and evaluates health service delivery and health system performance

The ministry provides operational support to the Ministry of Health Planning. It also operates the Pharmacare program and the Medical Services Plan to ensure British Columbians get the physician services and pharmaceuticals they need.

Pre-hospital emergency services, in every community of the province, are provided by the ministry through BC Ambulance Service.

Through innovation and change, the ministry is working with health care partners to develop solutions to address challenges facing our health care system today. These changes will help us realize our vision for a high quality public health care system that meets patients' needs.

Mission

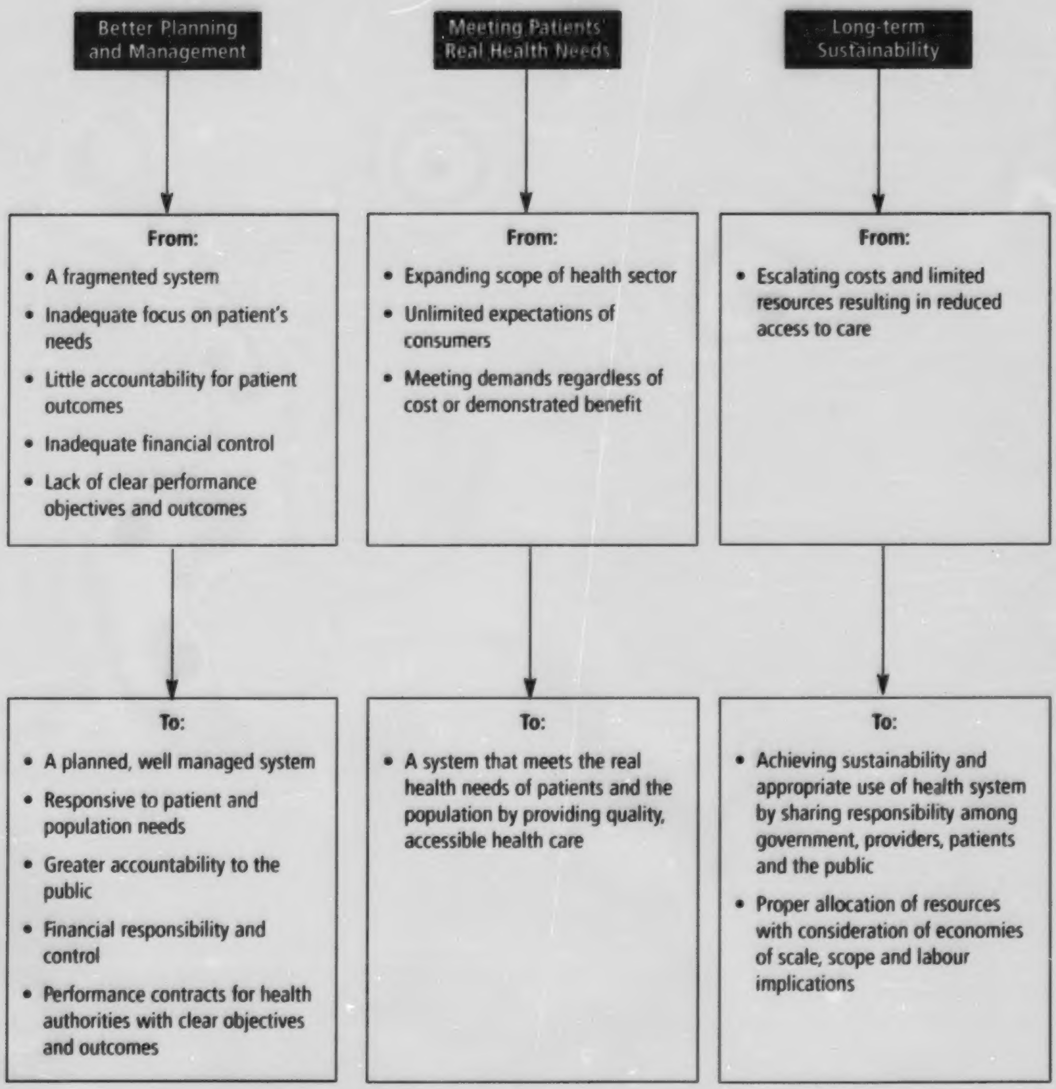
To guide and enhance the province's health services in order to ensure British Columbians are supported in their efforts to maintain and improve their health

The priorities of both the Ministry of Health Planning and the Ministry of Health Services are to fulfill the government's New Era vision of saving and renewing public health care and providing high quality health services that meet patients' most essential needs.

STRATEGIC SHIFTS

As a result of the Core Review process, the provincial government has undertaken three major strategic shifts to ensure high quality patient-centred care, to build a sustainable public health care system, and to enhance the health and wellness of British Columbians.

WHAT ARE THE STRATEGIC SHIFTS?



Better Planning and Management

From:

- A fragmented system
- Inadequate focus on patient's needs
- Little accountability for patient outcomes
- Inadequate financial control
- Lack of clear performance objectives and outcomes

To:

- A planned, well managed system
- Responsive to patient and population needs
- Greater accountability to the public
- Financial responsibility and control
- Performance contracts for health authorities with clear objectives and outcomes

Meeting Patients' Real Health Needs

From:

- Expanding scope of health sector
- Unlimited expectations of consumers
- Meeting demands regardless of cost or demonstrated benefit

To:

- A system that meets the real health needs of patients and the population by providing quality, accessible health care

Long-term Sustainability

From:

- Escalating costs and limited resources resulting in reduced access to care

To:

- Achieving sustainability and appropriate use of health system by sharing responsibility among government, providers, patients and the public
- Proper allocation of resources with consideration of economies of scale, scope and labour implications

M121

IMPORTANT NOTE CONCERNING THE FOLLOWING PAGES

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MINISTRY CORE BUSINESS

The Ministry of Health Services has four core business areas: Performance Management and Improvement Division; Emergency Health Services; Medical and Pharmaceutical Services; and Corporate Services and Financial Accountability. This section briefly describes the function of each and highlights major events and changes for 2001/02.

1. Performance Management and Improvement Division

Health authorities are responsible for the direct delivery of many health services in B.C., including acute care services, residential and community care, mental health and public health services. The Performance Management and Improvement Division is the main link between the province and the health authorities. It works with health authorities, service providers and other industry stakeholders to implement clear performance standards and effective monitoring systems. This division also works closely with the Corporate Services and Financial Accountability Division, which is responsible for managing the financial performance of health authorities. The ministry provides three-year funding allocations according to these performance and accountability standards.

Values

[illegible]

Equity

Access

Effectiveness

[illegible]

[illegible]

[illegible]

[illegible]

Performance Agreements

What are they?

For the first time ever, health authorities will sign performance agreements that will hold them accountable for the delivery of patient care, patient outcomes and how health dollars are spent.

Performance agreements between health authorities and the ministry define expectations and performance deliverables for three fiscal years. The agreements also contain major change requirements in areas of service such as emergency care, surgical services, home and community care, and mental health.

What are we doing?

The ministry is putting in place contracts to ensure accountability—these are performance agreements. Performance agreements, introduced in February 2002, enhance accountability of health authorities for services delivered. Government is holding health authorities across B.C. accountable for dollars spent and the effectiveness of health service delivery.

It's a change from measuring the performance of our health system by how much money is spent to measuring the effectiveness of patient outcomes.

The ministry has established monitoring processes incorporating the regular review of health authorities' reporting and performance. The ministry and health authorities will also be working together more closely to evaluate health system performance. Under the performance agreements, it is required that Health Authority Board Chairs establish a performance-based component of compensation for senior management.

What does this mean to you?

New performance contracts will allow government and health authorities to determine how health dollars are spent and how effective our health care system is in meeting patients' needs. These agreements will improve accountability and help us build a more sustainable, effective health care system in B.C.

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Values

Patient and Consumer Focus

Equity

Access

Effectiveness

Efficiency

Appropriateness

Safety

These values reflect our commitment to the five principles of the *Canada Health Act*: public administration, comprehensiveness, universality, portability, and accessibility.

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Changes in structure, programs and services

- To make operations more efficient and accountable to British Columbians, the regional health authorities were reduced from 52 to six. There are now five geographic authorities that are responsible for managing services across 15 health service delivery areas, and one provincial health services authority. The provincial authority is responsible for coordinating the delivery of provincial programs and highly specialized health services.
- The streamlining of regional authorities enables consolidation and reduction of corporate infrastructure across health regions, a process which began in 2001/02.
- Similarly, in support of maintaining higher priority services, health services are being consolidated within and across regions.
- The ministry introduced performance agreements with health authorities. The agreements, which will be implemented next year, specify expectations and accountabilities to ensure the public obtains good value, quality services and improved health outcomes from the health system. The ministry also gave the regions the authority to change how and where services will be provided so that they can meet performance expectations, in an effort to create a sustainable quality health care system. (See the topic box on performance agreements on page 11.)
- The ministry introduced a new population-needs based funding method, which allocates available funding to health authorities according to their populations' relative health care needs. (See the topic box on population-needs based funding.)

Population-Based Funding Formula

What is it?

Population-needs based funding is a method of allocating available funding to health authorities according to their populations' relative health care needs. Many countries are moving towards population-needs based funding for health care, to ensure that the allocation of funds is fair, equitable, accountable and transparent to all.

What are we doing?

The ministry implemented population-needs based funding to allocate funds to health authorities for acute care and home and community services for 2002/2003.

Population-needs based funding first looks at the average use of health care services across the province by age, gender, and socio-economic status, and then estimates health care services the population would need.

The populations of the five health authorities are unique. For example, Vancouver Island's population is older, while the Lower Mainland has a higher proportion of people in lower income groups. Age and socio-economic status are important determinants of health and the need for health care.

Since people can go to hospitals in other regions for treatment, funding adjustments are also made for health services, based on the pattern of inter-regional flow.

Finally, the model is adjusted for the relative cost of delivering health care in different regions. A remoteness factor for small scale populations and a complexity factor for higher costs in B.C.'s largest hospitals are included in the determinants of funding.

The Ministry intends to develop funding allocation models for mental health and preventive and public health in the future, modelled on the same principles.

What does it mean to you?

Regardless of where you live in the province, British Columbians will have access to high quality, patient-centred care. It all starts with a fair and equitable distribution of funding to health authorities based on population needs.

- Government introduced the *Health and Social Services Delivery Improvement Act*, which enables health authorities to introduce new, cost-effective business arrangements to incorporate alternate service delivery methods and public/private partnerships in the provision of services.
- The ministry is developing a Home and Community Care Plan and implementing the Mental Health Plan to optimize the use and efficiency of residential care services and home and community based services. Implementation will be phased in over the next several years.

2. Emergency Health Services

The British Columbia Ambulance Service (BCAS) provides pre-hospital emergency care, including air and land emergency transport.

Changes in structure, programs and services

- Strategies were developed to reduce demand for services by redirecting low priority calls to other resources, such as the BC Health Guide NurseLine and Poison Control. This will ensure optimal use of specialized skills and resources.
- Emergency health services are being examined under the core review process, with recommendations to be released in 2002/03.

3. Medical and Pharmaceutical Services

The Medical and Pharmaceutical Services division is responsible for setting policy for the Medical Services Plan (MSP) and Pharmacare program.

MSP is the medical insurance plan for residents of British Columbia. It pays for medically required services provided by physicians, diagnostic and laboratory services, in-hospital dental services and some supplementary benefits. (See also topic box on MSP Accountability Activities.)

Medical Services Plan (MSP) Accountability Activities

What is it?

Activities are conducted by the Ministry of Health Services to ensure that all physician billings submitted for payment are legitimate. These audit activities are fully supported by the British Columbia Medical Association, the professional organization which represents physicians in this province. The Ministry of Health has been auditing practitioner billings since the 1970s.

What are we doing?

One such audit activity is the Service Verification Survey, whereby approximately 6,250 members of the public are randomly selected each month and are asked to confirm that they have received the services billed to MSP in their names. MSP also has a number of other safeguards in place to monitor the billing patterns of practitioners, including a Billing Integrity Program (BIP), which is responsible for detecting and deterring inappropriate billing. BIP produces annual statistical profiles for each physician in the province. Statistically unusual patterns of billing are subjected to review based on criteria that are agreed to by the Patterns of Practice Committee (comprising both government and medical profession members) and, where necessary, subsequent investigation. Similarly, tips and complaints received from public sources are reviewed by MSP for possible irregularities.

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- Coverage for routine eye exams was eliminated for adults (19 to 64 years), beginning November 2001. Coverage for routine eye exams will continue for individuals under 19 and for seniors, the two groups who receive the most value from this health service. All medically necessary eye exams will continue to be covered.
- Enhanced physician compensation arrangements are being implemented in the spring and summer of 2002, following finalization of agreements with the BC Medical Association.

Pharmacare, the province's public drug insurance program, assists British Columbia residents in paying for eligible prescription drugs and designated medical devices and supplies. The program administers benefits through various plans. The largest are those for seniors, people receiving income assistance and the public. (See the topic box on Pharmacare Plan Changes.)

Changes in structure, programs and services (Pharmacare)

- In the face of rapidly growing Pharmacare costs, the ministry is moving to income testing for 2003, and made interim changes for 2002 to manage expenditures. Changes in deductibles effective January 2002 include the following.

Pharmacare Plan Changes

What is it?

Effective January 1, 2002, the government introduced changes to Pharmacare plans. These changes are being made in response to escalating costs and the need to protect the future viability of the Pharmacare program.

What are we doing?

Pharmacare policy changes affected Plan A (seniors) and Plan E (universal) beneficiaries. The government introduced these changes to address immediate cost pressures while preserving access to benefits for those who can least afford paying for these services.

When the ministry made these changes, care was taken to protect low-income seniors, the 40 per cent of seniors who qualify for premium assistance.

The Pharmacare changes are an interim step for 2002, while the ministry works to introduce a new income-based Pharmacare program in January 2003. Pharmacare is continuing to monitor the impact that this policy change is having on drug utilization rates and expenditures in B.C.

What does it mean to you?

Pharmacare costs have been increasing by an average of 15 per cent annually in recent years. Continuing with the same program was unsustainable. These benefit changes mean higher deductibles, while offering some protection to those British Columbians who require assistance from benefit cost changes.

A redesign of the Pharmacare plans will ensure that health consumers requiring pharmaceuticals will be assisted with the costs of treatment in a viable manner. A new, restructured Pharmacare program will share the high costs of drugs between public and private sources, ensuring that Pharmacare is sustainable.

- The annual deductible for seniors is based on both the ingredient cost and the dispensing fee. Seniors with higher incomes pay up to a maximum annual deductible of $275 with a limit of $25 per prescription. The maximum annual deductible for the 40 per cent of seniors who qualify for premium assistance remains at $200 with a limit of $10 per prescription.

- Annual deductibles for B.C. families covered under Pharmacare's universal plan have increased by $200 to $1,000. Pharmacare covers 70 per cent of eligible costs between $1,000 and $2,000 per family, and 100 per cent of eligible costs over $2,000. For universal beneficiaries receiving MSP premium assistance, their annual deductible is $800, and Pharmacare covers 100 per cent of eligible costs over that amount.
- In 2001/02, the ministry began planning for income-testing for Pharmacare benefits.

4. Corporate Services and Financial Accountability (CSFA)

This division provides corporate support services for both health ministries, including financial, information management, human resources, client services and Freedom of Information and Protection of Privacy functions. Working in conjunction with the Performance Management Improvement Division, Corporate Services and Financial Accountability (CSFA) establishes financial performance standards and monitoring systems for all six health authorities. It also provides for financing for capital health projects, such as new long-term care facilities and medical equipment and machinery. (See Report on Resources on page 59 for a list of capital projects.) The Information Management Group of CSFA provides all information technology and information management services for the two ministries of health. This includes managing major projects which will use technology to improve health care delivery such as the Electronic Health Record (see topic box on the Electronic Health Record (EHS) Strategy) and Telemedicine (see topic box on Telemedicine and Telehealth on page 16).

Electronic Health Record (EHR) Strategy

What is it?

The Electronic Health Record (EHR) project will deliver and integrate your health information into a secure, accessible record. This means that health care providers will be able to obtain and share information electronically to make faster and better decisions.

What are we doing?

EHR is not one project but an evolution of a series of building block projects. Currently in use or under development are initiatives to tie laboratory, diagnostic images, pharmacy, hospital and health information from doctor's offices together for a complete picture of your health.

What does this mean to you?

Fulfillment of the EHR will result in the following kinds of improvements:

- *You and your health care providers will be able to get access to your medical information as easily and securely as you now get your banking information.*
- *Only you and the health care provider you authorize will have access to your personal health information.*

Changes in structure, programs and services

- The ministry established a revised capital budgeting process with health authorities, which sets the framework for 2002/03 and beyond. (see Report on Resources on page 59 for more on capital projects.)
- Funding was committed for capital projects that are part of the government's New Era commitments. All other projects, including those in planning stages, are being reviewed by the new health authorities to determine their priority among other local needs.

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- Funding was committed for capital projects that are part of the government's New Era commitments. All other projects, including those in planning stages, are being reviewed by the new health authorities to determine their priority among other local needs.

- Some limited one-time capital funding has been committed to assist health authorities in converting existing facilities to more appropriate uses consistent with new priorities.

- Opportunities to partner with non-profit organizations and the private sector are being explored.

5. Other changes in structure, programs and services across the ministry

- To ensure adequate resources for core health services, the ministry has streamlined or eliminated various ministry branches and special offices.

- These strategic changes will result in significant reductions in administration over three years with savings redirected to program delivery.

- The Population Health and Wellness function has been realigned with the Office of the Provincial Health Officer in the Ministry of Health Planning.

- Most remaining areas providing direct service are being transferred to health authorities. These include addiction services, aboriginal health contracts, the provision of clinical advice services for individuals with developmental disabilities and others.

- The ministry has eliminated advisory committees for health issues related to women, seniors and HIV/AIDs. Special advisors on the health of women, seniors and Aboriginal people have been consolidated in the Ministry of Health Planning.

- In the restructuring process, the BC Hearing Aid Program and technical support unit were discontinued. These services are available through the private sector. The Victoria and Burnaby MSP in-person client service offices have been replaced by telephone or Internet access.

Telemedicine and Telehealth

What is it?

Telemedicine uses state-of-the-art technology to connect patients, health professionals, specialists and researchers. Throughout our province, the possibilities for Telemedicine are endless. It could involve linking a physician's desktop to medical labs and hospitals. It could be a videoconference between a northern B.C. emergency room doctor at the bedside of a patient seeking advice from a Vancouver specialist.

What are we doing?

In February we announced the BC Telehealth program. This program includes an emergency/trauma program that connects Terrace and Cranbrook with larger care centres on a 24/7 basis. By the end of 2002, telehealth services will be available to many more communities in B.C.

Another initiative is the BCbedline. Physicians were spending hours trying to find a bed for some patients. This innovative service, BCbedline, has a Web site registry and a 24-hour call center. Thousands of calls have been made to the Bed Line and it makes a significant difference in reducing the time it takes to find beds for patients and in providing better care.

These are just two examples of Telemedicine projects now underway in B.C. High-speed networks, wireless technology, and sophisticated medical equipment all help provide health professionals and patients with more information, more effectively.

What does it mean to you?

It means when we are patients, we can more often be cared for in our community. It means as patients we can get more information, more quickly. And it means patients can access specialized care where they live, when they need it.

Most importantly, Telemedicine puts patients at the centre of care. It gives British Columbians better access and more care options to better meet our health care needs.

A HEIGHTENED COMMITMENT TO MENTAL HEALTH AND HOME AND COMMUNITY CARE

As part of last year's restructuring, the government created two separate Ministers of State—one for Intermediate, Long Term and Home Care, and another for Mental Health. These two appointments were made in recognition of the importance of these health care areas and the special attention that will be focused on them. Although the ministers fall under the responsibility of the Ministry of Health Services, they act as cross-government advocates for people who require these services. This includes making presentations to Cabinet and other government committees on their behalf. The following sections highlight the major initiatives in these areas.

HOME and COMMUNITY CARE

- The Minister of State for Intermediate, Long Term and Home Care is leading development of a new strategy to optimize the health of people with functional impairment due to aging, illness, or disability. The intent is to make available to a greater number of people services that are more responsive in promoting independence, choice and quality of life and that are cost-effective. The plan will optimize use and efficiency of residential care, community and home-based services.

- As part of the strategy, the ministry is also working to establish 5,000 new intermediate and long-term care beds over the next five years. This strategy will provide a more complete continuum of care for British Columbians, while reducing pressure on residential care facilities and hospitals.

Chronic Disease Care

What is it?

Chronic disease management strategies aim to help patients with chronic illnesses manage their condition, stay healthier, require fewer medical interventions, and ensure that medical interventions are timely and appropriate.

What are we doing?

With the Ministry of Health Planning, practitioners, interest groups, and pharmaceutical companies, we are developing clinical guidelines for health care professionals, implementing improvements in the care of diabetes and congestive heart failure, and recommending methods for patients to improve their own management of their illness.

In addition to diabetes and congestive heart failure, we will be addressing the care of asthma, chronic depression and anxiety disorders.

What does this mean to you?

Over time, we will see fewer acute care procedures in our hospitals for people with chronic conditions, such as diabetes. They will have the knowledge and services to manage their illness, and when they need medical intervention it will be provided based on what research shows works.

MENTAL HEALTH

- The Minister of State for Mental Health recently announced a $263-million action plan, over the next six years, to revitalize services, deliver better care and achieve better results for individuals with mental illness. The Mental Health Plan will encourage a cultural shift that moves from a system with little focus on patient involvement or outcomes to a one that is responsive to patient needs and accountable to the public.

- Some limited one-time capital funding has been committed to assist health authorities in converting existing facilities to more appropriate uses consistent with new priorities.
- Opportunities to partner with non-profit organizations and the private sector are being explored.

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UPDATE ON NEW ERA COMMITMENTS

On June 25, 2001, Premier Gordon Campbell sent a letter to each member of the Executive Council providing direction and outlining expectations. The Premier's letter to the Minister of Health Services itemized the New Era commitments and key projects for which the minister is accountable. Similarly, the Premier's letters to the Minister of State for Intermediate, Long Term and Home Care and the Minister of State for Mental Health also identified key projects for the ministers. The following is the list of New Era commitments and key projects. A detailed description of the ministry's actions and progress on these assignments is contained in the following pages.

NEW ERA PROMISES FOR HEALTH SERVICES

1. Provide expanded home care and palliative care services to assist chronically and terminally ill patients with supportive home environments as an option to institutional care.
2. With the Office of Chief Information Officer and Health Planning, build a unified, universal and cost-effective health services information network that will improve care and reduce costs.
3. With Finance and Management Services, increase technology funding and digital infrastructure support to facilitate telehealth options that will expedite and improve treatments and reduce travel requirements for Northern and rural residents.
4. Ensure that patients living at home in palliative or long-term care are entitled to the same pharmaceutical benefits as they would have if they were in a hospital.
5. Intensify efforts to promote wellness and preventative care through better education, dietary habits and physical activity.
6. Provide better home support and home care services.
7. With the Ministry for Children and Family Development, increase emphasis on early childhood intervention programs for families with special needs children.
8. With Health Planning:
    a. Give all citizens better access to their medical records and treatment histories, and enhanced information privacy rights.
    b. Support community services volunteers and repeal legislation that allowed government to expropriate community health facilities without compensation.
    c. Enhance preventative drug and alcohol efforts, such as addiction counseling for new mothers and the reduction of fetal alcohol syndrome.
    d. Work to minimize interjurisdictional overlaps that are adding confusion and costs to health care delivery.

   e. Protect existing levels of access to abortion services throughout the province.

   f. Increase locum support to relieve pressure and reduce workloads to enhance health care professionals' quality of life.

   g. Work with non-profit societies to build and operate an additional 5,000 new intermediate and long term care beds by 2006.

   h. Replace obsolete hospital and ambulance equipment and ensure all equipment is fully utilized and properly maintained.

9. Give ambulance attendants better access to training.

10. Fully fund and implement the $125 million mental health initiative.

11. Focus funding on patient care, by reducing waste in the system and eliminating administrative duplication and costs from provincial government mismanagement.

12. With Intergovernmental Relations Secretariat (IGR) and Finance, negotiate with the federal government to restore all of the health care funding withdrawn through budget cuts.

13. With the Ministry of Finance:

    a. Fulfill B.C.'s obligations under the *Canada Health Act* to properly fund and provide access to all medically necessary services.

    b. The Ministry of Health Services' budget was increased to $9.5 billion in 2001/02.

    c. Provide health regions and hospitals with three-year rolling funding commitments (updated annually), to enable them to plan and act with certainty.

    d. Fund health regions at a level necessary to meet the needs of the people who live there, regardless of where a service is provided.

Key Projects for Health Services

1. Implement a monitoring system and accountability model for Regional Health Boards.
2. Develop a response plan for non-performing organizations.
3. Prepare service plans for provincially delivered health services.
4. With Health Planning, develop an information management strategy, focusing on health information for the general population and on data standards for regional health authorities.
5. Cooperate with the Ministry of Children and Family Development on early childhood development initiatives.

Key Projects for the Minister of State for Intermediate, Long Term and Home Care

1. Within the current budget allocation, and in coordination with Health Planning, ensure early action on intermediate, long-term and home care services.
2. Serve as the point person for those wishing to make representation on issues related to continuing care.
3. Establish a new and cost-effective strategy to provide 5,000 new intermediate and long-term care beds over the next five years.

Key Projects for the Minister of State for Mental Health

1. Within the current budget allocation, and in coordination with Health Planning, ensure early action on mental health services.
2. Become the advocate for mental health services throughout government.
3. Establish a public information program on mental health issues and community services in cooperation with other government agencies, professional bodies and community groups.

NEW ERA PROMISES

1. **Provide expanded home care and palliative care services to assist chronically and terminally ill patients with supportive home environments as an option to institutional care.**

The ministry is developing a provincial strategy to optimize the health of persons with functional impairment due to aging, illness or disability. The intent is to expand and redesign the home and community care system to provide services to a greater number of people, be more flexible and responsive, and more cost-effective. The objectives are to improve the assessment process, streamline access to services, support clients to remain independent in their homes for as long as possible and develop affordable housing-based care options. The ministry has also begun work on a provincial strategy to improve the delivery of services at the end of life, and has implemented a program to provide home-based palliative clients with the same pharmaceutical benefits as they would have if they were in hospital.

2. **With the Office of Chief Information Officer and Health Planning, build a unified, universal and cost-effective health services information network that will improve care and reduce costs.**

The ministry is currently working with the Office of the Provincial Chief Information Officer (CIO) and the health authorities on strategies for accessing telecommunications networks with sufficient bandwidth. This is the key to successfully implementing telehealth and telemedicine, linking physicians' desktops to medical labs, pharmacies and hospitals, and making the Electronic Health Record (EHR) and other electronic service deliveries to the public on a province wide basis a reality.

The ministry is working with the Provincial CIO and health authorities to explore opportunities to use Optical Regional Advanced Network (ORAN), to link research institutions nationwide for health education, research and services purposes.

In addition, the ministry has conducted a Secure Information Transport Strategic Options Project (e-Secure) to provide practical options for secure information transport among the various health sector stakeholders. This is the necessary first step towards developing secure information transport solutions.

The ministry is also working with the Provincial CIO and the central IT agency (CITS) on the corporate portal project for delivering services over the Internet to the public and businesses.

3. **With Finance and Management Services, increase technology funding and digital infrastructure support to facilitate telehealth options that will expedite and improve treatments and reduce travel requirements for Northern and rural residents.**

The government has been working with the federal government through the Canadian Health Infostructure Partnership Program to facilitate telehealth options in the province. Four projects are currently underway, the largest of which is the BC Telehealth Program. Through this program, videoconferencing services are offered in the areas of emergency/trauma, continuing medical education, maternal and child, and pediatric palliative care. Five health authorities, UBC and several Child Development Centre providers across the province have joined together to implement the program. Specific communities benefiting from the program include: Prince Rupert, Terrace, Kitimat, Smithers, Prince George, Kelowna, Kamloops, Penticton, Cranbrook, Invermere, Fernie, Victoria and Vancouver.

The emergency/trauma component of the BC Telehealth Program began in February 2002. Emergency and trauma physicians at Vancouver General Hospital provide 24/7 trauma and emergency support to their physician colleagues in Terrace and Cranbrook. In its first month of operation, 17 seriously ill or injured patients were treated in their own communities through telehealth.

Other projects are also now underway in B.C. that demonstrate the many ways telehealth can benefit health care. High-speed networks, wireless technology, and the increasing capabilities of computers and medical peripherals are all helping to provide health professionals with more information and the means to deliver health care services in a more effective manner. To facilitate telehealth and telemedicine implementation, the ministry is working with the Ministry of Management Services and the Provincial Chief Information Officer to address network bandwidth capacity issues.

4. **Ensure that patients living at home in palliative or long term care are entitled to the same pharmaceutical benefits as they would have if they were in a hospital.**

The ministry has implemented a program to provide home-based palliative clients with the same pharmaceutical benefits as they would have if they were in hospital. An evaluation of the program will be conducted in the near future to ensure the needs of clients are being met. In 2002, the ministry will also be developing a program to provide palliative clients in residential care facilities the same pharmaceutical benefits as they would have if they were living at home or in a hospital.

5. **Intensify efforts to promote wellness and preventative care through better education, dietary habits and physical activity.**

The ministry is working with health authorities to develop a Chronic Disease and Injury Prevention Strategy that focuses on five priorities: physical activity, healthy eating, tobacco reduction, alcohol and drug misuse, and preventable injury, especially falls among seniors. A draft discussion paper has been prepared to support and foster collaborative approaches to address the primary prevention of chronic disease and disability among British Columbians.

The ministry is working to engage other ministries, health authorities and non-government organizations in collaborative action to lower British Columbians' risk of chronic disease and disability. As an example, the ministry is collaborating with the Ministry of Community, Aboriginal, and Women's Services and others to develop a Sport and Physical Activity Policy for B.C. that targets actions in schools, communities, and elite sport.

6. Provide better home support and home care services.

New provincial standardized assessment tools for home care and residential care have been successfully tested and validated. These new tools provide a comprehensive assessment of client needs and will result in the right care being provided to the right client at the right time. They are a critical component of effective case management, planning, resource allocation and outcome measures. Health authorities are now implementing the new assessment tools with full implementation required for the home care tool by March 2005, and the residential tool by March 2007.

7. With the Ministry of Children and Family Development, increase emphasis on early childhood intervention programs for families with special needs children.

As part of a joint initiative with the Ministry of Children and Family Development, the ministry is working to provide improved access to assessment and diagnostic services for children with autism spectrum disorder. Assessment and diagnosis standards have been drafted and access to assessment and diagnosis services has been improved through the initiation of three assessment centers. In addition, a data collection system has been developed, and a coordinated service delivery system is expected to be implemented by the summer of 2002.

8a. Give all citizens better access to their medical records and treatment histories, and enhanced information privacy rights.

The Ministry of Health Services' and Ministry of Health Planning's Information and Privacy Branch provides advice and assistance to the public, the ministries and health authorities on patients' access rights to their records. The branch also works to ensure patient privacy is protected and enhanced through pamphlets, phone Help Line, Intranet Site and training programs. The ministries require a privacy impact assessment to be conducted on all information systems projects involving personal information. Privacy assessments are also undertaken on all on new ministry programs and legislation.

Establishing the Electronic Health Record (EHR) to improve patient care and clinical decision making with due attention to security and privacy protection is a health information priority. The Chief Information Officer (CIO) of the health ministries and the CIOs of the health authorities are exploring strategies and approaches for establishing the Electronic Health Record (EHR) in B.C.

In addition, one of the main goals in the ministries' draft Strategic Plan for Health Information Management in BC is to make health information electronically available to British Columbians to help them improve wellness, learn about illnesses, find appropriate health services, and become informed of the best options and treatment practices.

8b. Support community services volunteers and repeal legislation that allowed government to expropriate community health facilities without compensation.

In August 2001, government repealed the section of the *Health Authorities Act* that allowed the assets of community health facilities to be seized without compensation. This supports community service volunteers by encouraging non-profit societies and volunteers to play an integral role in the delivery of health care, particularly for the elderly, without fear of government targeting their work.

8c. Enhance preventative drug and alcohol efforts, such as addiction counseling for new mothers and the reduction of fetal alcohol syndrome.

An overall addictions framework is being developed that includes a provincial alcohol and drug prevention strategy. The prevention of fetal alcohol syndrome is a key component of the strategy. The ministry is linking with key partners in the development of the framework, including health authorities, Ministry of Children and Family Development, Ministry of Community, Aboriginal and Women's Services, ICBC, and the Liquor Distribution Board.

8d. Work to minimize interjurisdictional overlaps that are adding confusion and costs to health care delivery.

The ministry has implemented the new governance structure for health care in British Columbia that will result in better coordinated and planned health care delivery. In December 2001, government reduced the existing 52 regional health authorities to five regional health authorities and a Provincial Health Services Authority (PHSA) to oversee provincial programs. Having fewer, more accountable health authorities will minimize the duplication of administrative services that have added confusion and costs to health care delivery.

The new model is focused on achieving efficiencies, eliminating administrative duplications, and directing as much money as possible to high-quality patient care.

8e. With Community, Aboriginal and Women's Services Ministry, protect existing levels of access to abortion services throughout the province.

Access is being monitored to ensure existing levels of abortion services throughout the province.

8f. Increase locum support to relieve pressure and reduce workloads to enhance health care professionals' quality of life.

The ministry is pursuing a number of avenues to increase locum support, particularly for health professionals in rural or remote communities. The ministry has been working to enhance its Northern and Rural Locum Program (NRLP). The program assists general practitioners and family practitioners working in about 70 small B.C. communities to secure subsidized vacation relief by keeping a roster of physicians to provide locum support. In 2001/02 the program provided over 3,200 paid days of locum coverage, the most days ever in its history. A further expansion of the NRLP has been proposed by government as part of the negotiations with the British Columbia Medical Association.

The ministry has also been engaging new physicians and professional groups in an effort to increase locum support. NRLP staff have been active in recruiting new medical school graduates into the program to gain experience in rural or remote practice as locums. In addition, the ministry has been linking with professional organizations such as the Canadian Society of Rural Physicians to explore how BC can benefit from established programs like the Society's Continuing Medical Education/Locum program which innovatively addresses the educational and staffing challenges of rural health care.

8g. Work with non-profit societies to build and operate an additional 5,000 new intermediate and long term care beds by 2006.

This commitment forms part of the ministry's overall strategy for home and community care. The ministry has been working with BC Housing on a supportive living initiative which will allow low and modest income seniors and people with disabilities to access support services in a home setting. The initiative calls for 3,500 supportive living units across the province: 1,500 new units will be constructed, 1,000 existing units will be converted, and 1,000 rent supplements will be provided to enable seniors and people with disabilities to live in supportive living units. It is a significant first step in meeting the goal of 5,000 beds.

8h. Replace obsolete hospital and ambulance equipment and ensure all equipment is fully utilized and properly maintained.

In 2001/02, the B.C. Ambulance Service ensured that all operational ambulances, spare ambulances and supervisory vehicles were equipped with automatic cardiac defibrillation equipment. Major communications enhancements were completed as new computerized dispatch systems were installed in the Kamloops and Victoria Regional Dispatch Centres. State of the art call recording equipment was also installed in both of these centers and in Vancouver. In addition, a project was initiated to install upgraded mobile radios and dataheads in all ambulances. Improvements to the communications network of mountaintop repeater sites are also underway.

The ministry is working with the health authorities to assess medical machinery and hospital equipment needs. Capitol and operating funding of $63 million was approved for health authorities to buy diagnostic equipment such as CT scanners, modern clinical equipment for operating rooms and labs, and new beds and lifts to prevent injuries to health care workers.The restructuring of the health authorities and the introduction of service plans and performance agreements give health authorities the ability and incentive to ensure appropriate utilization and maintenance of hospital equipment to meet the needs of patients and providers. In addition, to address a specific need, $15 million was provided to health authorities for beds and lifts to improve patient care and reduce musculoskeletal injuries to nurses as part of the nursing strategy announced in August 2001.

9. Give ambulance attendants better access to training.

An enhanced basic training standard of qualification was initiated by the British Columbia Ambulance Service (BCAS) in 2001/02. The new level, Paramedic 1, is a nationally accredited training standard, and is being offered to 1,300 new recruits and part-time personnel. BCAS has also continued the delivery of training to paramedics to enhance the current base Emergency Medical Assistant 1 level to the Paramedic 1 standard. This will ensure paramedics have the necessary medical knowledge and skill to provide essential pre-hospital care and transportation in their communities

10. Fully fund and implement the $125 million mental health initiative.

On March 15, 2002, the Minister of State for Mental Health announced a $263 million funding plan to fulfill the Mental Health Plan commitment. At the end of six years $125 million will have been directed to improve community mental health services, and $138 million in capital funding will have been provided for Riverview Hospital redeployment and increased provincial tertiary capacity across the province.

11. Focus funding on patient care, by reducing waste in the system and eliminating administrative duplication and costs from provincial government mismanagement.

The number of health authorities has been reduced from 52 to 6 to achieve greater efficiency and avoid duplication, and the health ministries' administrative costs are being reduced by more than 40 per cent with those resources being redirected to patient care.

12. With IGR and Finance, negotiate with the federal government to restore all of the health care funding withdrawn through budget cuts.

In January 2002, the Premier of B.C. hosted an extraordinary meeting of all Canadian premiers to discuss health issues. The ministry worked closely with the Intergovernmental Relations Secretariat (IGR) in preparing for the meeting. At the meeting, the premiers confirmed the current level of federal funding contribution is inadequate to sustain quality health care. The issues of inadequate federal funding and the pressures facing provincial health care systems were also raised with the federal government at meetings of the conferences of Federal/Provincial/Territorial (F/P/T) Ministers of Health and F/P/T Deputy Ministers of Health.

13a. Fulfill BC's obligations under the *Canada Health Act* to properly fund and provide access to all medically necessary services.

The provincial health budget was increased by $1.1 billion in 2001/02.

13b. Maintain this year's overall $9.3 billion budget for health.

$9.5 billion was provided in the health ministries' budgets in 2001/02. On February 19, 2002, government tabled its 2002/03 budget, increasing the services budget to $10.2 billion and health spending across government to $10.4 billion.

13c. Provide health regions and hospitals with three-year rolling funding commitments (updated annually), to enable them to plan and act with certainty.

Three-year rolling funding commitments were provided with the 2002/03 Budget announced in February 2002.

13d. Fund health regions at a level necessary to meet the needs of the people who live there, regardless of where a service is provided.

The ministry has introduced a population needs based funding formula for determining funding allocations to health authorities. The formula will be implemented in the 2002/03 fiscal year.

KEY PROJECTS

1. Implement a monitoring system and accountability model for Regional Health Boards.

Performance agreements have been developed which define expectations and performance deliverables for three fiscal years between health authorities and the Ministry of Health Services. The performance agreements will hold health authorities accountable for the delivery of patient care, patient outcomes and the allocation of funds. The agreements also contain major change requirements in areas of service such as emergency care, surgical services, home and community care, and mental health. In addition, a process is underway to establish core services in public and preventive health. The ministry will be monitoring health authorities on an ongoing basis to ensure compliance with the performance agreements.

2. Develop a response plan for non-performing organizations.

The ministry has established performance monitoring processes including the regular review of health authorities' reporting and performance, with a formal feedback loop if performance or reporting is unsatisfactory. The ministry and health authorities will also be engaging in routine, less formal contact regarding health authority performance.

3. Prepare service plans for provincially delivered health services.

As part of the new health authority structure implemented in December 2001, a Provincial Health Services Authority (PHSA) was established to manage and coordinate provincially delivered health services. Provincial health services refer to what the ministry has historically called tertiary services and provincial programs, i.e. those services which are either highly specialized and low volume and/or those services which are organized, funded and provided on a province-wide basis. The PHSA will work closely with the five new health authorities and the health ministries to ensure these programs are coordinated throughout the province, and that patient access issues are equitably addressed.

4. With Health Planning, develop an information management strategy, focusing on health information for the general population and on data standards for regional health authorities.

The Chief Information Officer (CIO) of the health ministries and the CIOs of the health authorities (Health CIO Council) are working together to finalize a strategic plan for Health Information Management in B.C. A key goal in the draft strategic plan is to make health information electronically available to British Columbians to help them improve wellness, learn about illnesses, find appropriate health services, and become informed of the best options and treatment practices.

B.C. is a leader in developing health information standards and some of the B.C.-approved standards have become national standards. The Health CIO Council has recently realigned the role of the B.C. Health Information Standards Council to put more emphasis on identifying and promoting standards and guidelines that will enable the sharing of health information in B.C.

5. **Cooperate with the Ministry of Children and Family Development on early childhood development initiatives.**

The ministry is a member of the Ministry of Children and Family Development's (MCFD) working group on Early Childhood Development. The ministry has worked with MCFD in meeting the reporting requirements of Health Canada related to the transfer of $291 million over five years to BC. These funds will be used to improve and expand early childhood development programs and services in key areas. As well, the ministry is providing leadership and collaborating with MCFD and other ministries in the development of the Best Chance Series, and the revision of the child health passport. This program supports parent action and responsibility for immunization, monitoring of growth and development, and attention to safety.

KEY PROJECTS FOR THE MINISTER OF STATE FOR INTERMEDIATE, LONG TERM AND HOME CARE

1. **Within the current budget allocation, and in coordination with Health Planning, ensure early action on intermediate, long-term and home care services.**

The ministry is developing a provincial strategy to optimize the health of persons with functional impairment due to aging, illness or disability. The ministry is working to achieve this through expanding and redesigning the home and community care system to provide services to a greater number of people, be more flexible and responsive, and more cost-effective. The objectives are to improve the assessment process, streamline access to services, support clients to remain independent in their homes for as long as possible and develop affordable housing-based care options.

In the past year a new provincial standardized assessment tool has been introduced which will result in the right care being provided to the right client at the right time. This new tool is a critical component of effective case management, planning, resource allocation and outcome measures and is now being implemented by the health authorities.

The ministry has also been working with BC Housing on a supportive living initiative. This initiative will allow low and modest income seniors and people with disabilities to access support services in a home setting.

2. **Serve as the point person for those wishing to make representation on issues related to continuing care.**

The Minister of State for Intermediate, Long Term and Home Care meets regularly with various individuals and industry representatives on a broad range of issues affecting home and community care services. The minister also works closely with other ministries and BC Housing, and makes presentations to Cabinet, inter-ministry committees and the Government Caucus Committee on Health on home and community care issues.

3. **Establish a new and cost-effective strategy to provide 5,000 new intermediate and long-term care beds over the next five years.**

This commitment forms part of the ministry's overall strategy for home and community care. The ministry has been working with BC Housing on a supportive living initiative which will allow low and modest income seniors and people with disabilities to access support services in a home setting. The initiative calls for 3,500 supportive living units across the province: 1,500 new units will be constructed, 1,000 existing units will be converted, and 1,000 rent supplements will be provided to enable seniors and people with disabilities to live in supportive living units. It is a significant first step in meeting the goal of 5,000 beds.

KEY PROJECTS FOR THE MINISTER OF STATE FOR MENTAL HEALTH

1. **Within the current budget allocation, and in coordination with Health Planning, ensure early action on mental health services.**

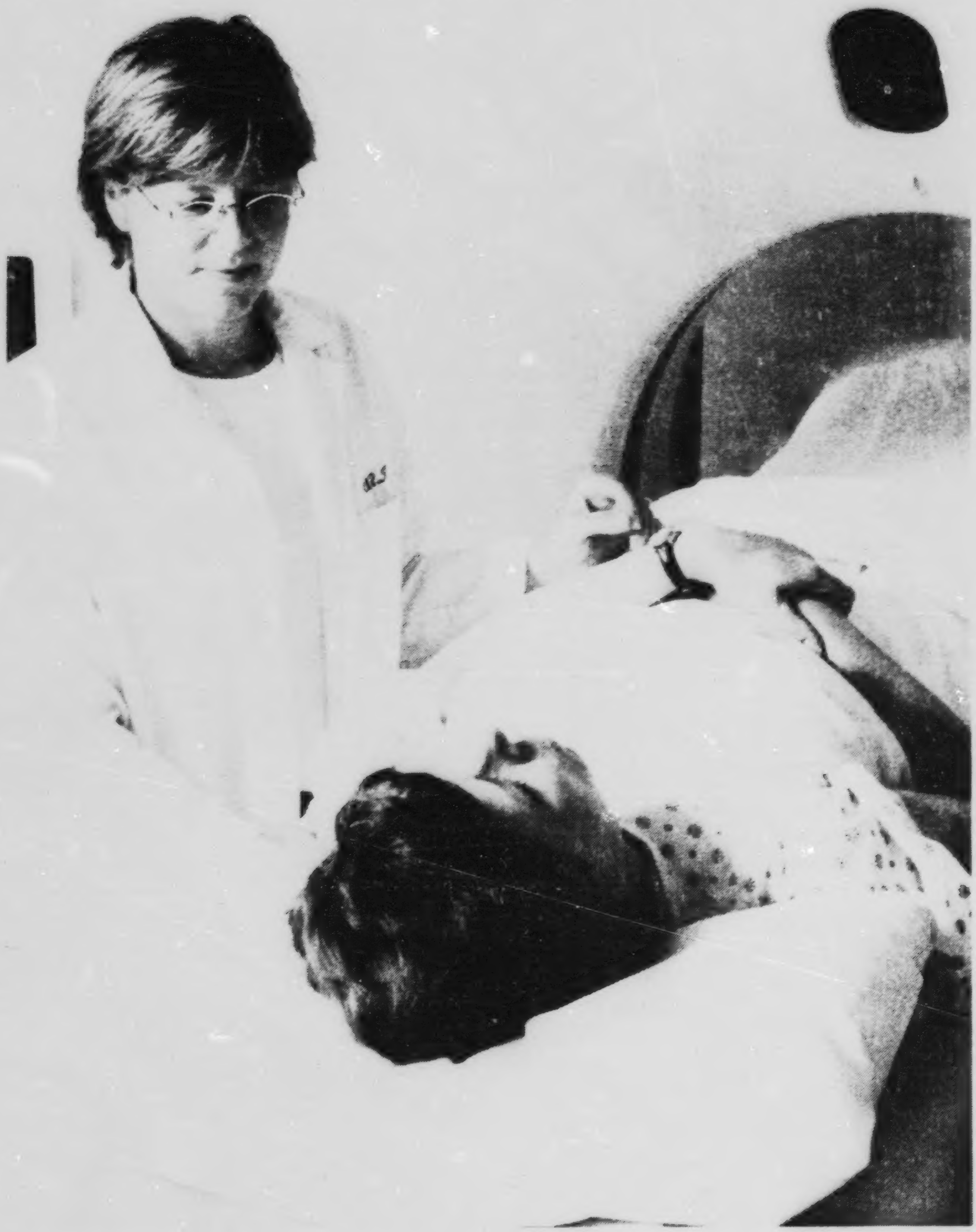
In the last year, government announced a $263 million action plan to revitalize services and facilities for people with mental health problems. In addition, specific Mental Health Plan requirements for tertiary re-development, including Riverview Hospital re-development, early diagnosis of illness, decreases in alternate level care days, and follow-up in the community after hospital discharge have been included in the health authorities' performance agreements as 'must-do' requirements.

2. **Become the advocate for mental health services throughout government.**

The Minister of State for Mental Health is working with various ministries such as the Ministry of Human Resources, Ministry of Children and Family Development, Ministry of Public Safety and Solicitor General, Ministry of Attorney General and Treaty Negotiations, Ministry of Education and Ministry of Advanced Education, as well as consumers, families, health authorities, provincial mental health organizations and other partners to improve understanding of mental illness, the availability of effective treatment based on evidence and the need to build appropriate services and supports for people with mental illness. The minister also makes presentations to Cabinet, inter-ministry committees and the Government Caucus Committee on Health on mental health issues.

3. **Establish a public information program on mental health issues and community services in cooperation with other government agencies, professional bodies and community groups.**

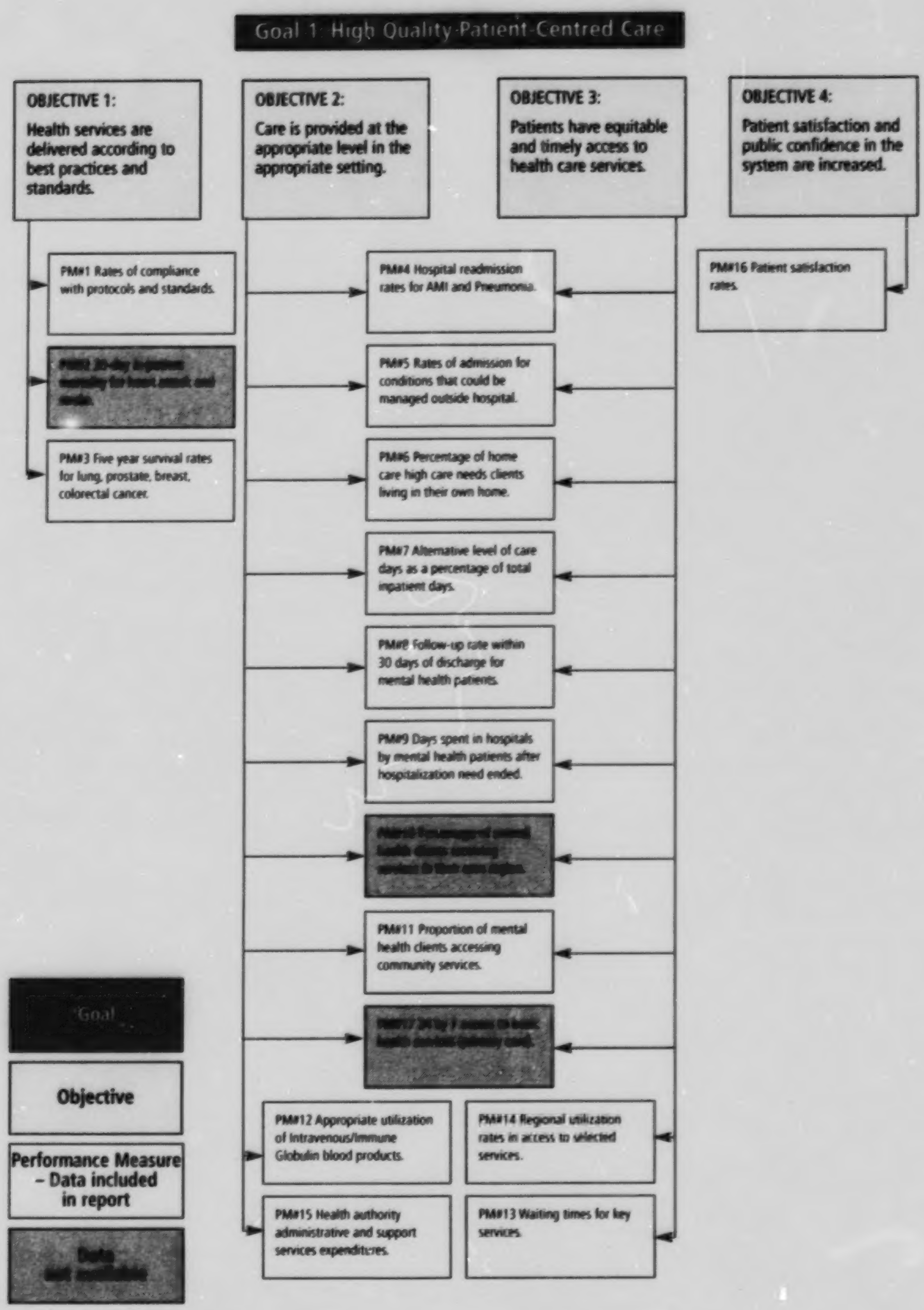
A public information strategy is under development. The program is expected to be announced in 2002 following consultation with mental health stakeholders.



PERFORMANCE REPORTING

In February 2002, the Minister of Health Services tabled the ministry's 2002/03-2004/05 service plan in the Legislature. It includes a wide set of targets and performance measures that help track progress in meeting the ministry's goals and objectives. This year's annual service plan report provides information on those performance measures. However, since this is a year of transition to a new reporting structure, this year's results are intended to serve as background data for future tracking and reporting. Beginning next year, actual results for performance measures will be compared against the performance targets established for that year.

Tracking and reporting how well the health care system is doing in meeting its performance objectives is one of the responsibilities outlined in the *Budget Transparency and Accountability Act*, amended in August 2001. The ministry is committed to ensuring British Columbians get the greatest health benefit possible for every tax dollar devoted to health care. Performance measurement is one way to keep track of the quality, accessibility and appropriate delivery of these services. It also helps to monitor the effectiveness of the programs in improving the health and wellness of British Columbians. And finally, the measures help to determine how efficient the health sector is in delivering those services. Knowing how well the ministry is performing in meeting its goals is the first step toward making continuous and meaningful improvements.


Goal 1: High Quality Patient-Centred Care
OBJECTIVE 1: Health services are delivered according to best practices and standards.
OBJECTIVE 2: Care is provided at the appropriate level in the appropriate setting.
OBJECTIVE 3: Patients have equitable and timely access to health care services.
OBJECTIVE 4: Patient satisfaction and public confidence in the system are increased.
PM#1 Rates of compliance with protocols and standards.
PM#2 30-day in-patient mortality for heart attack and stroke.
PM#3 Five year survival rates for lung, prostate, breast, colorectal cancer.
PM#4 Hospital readmission rates for AMI and Pneumonia.
PM#5 Rates of admission for conditions that could be managed outside hospital.
PM#6 Percentage of home care high care needs clients living in their own home.
PM#7 Alternative level of care days as a percentage of total inpatient days.
PM#8 Follow-up rate within 30 days of discharge for mental health patients.
PM#9 Days spent in hospitals by mental health patients after hospitalization need ended.
PM#10 [illegible] mental health clients accessing services in their own region.
PM#11 Proportion of mental health clients accessing community services.
PM#17 24 by 7 access to basic health services (primary care).
PM#12 Appropriate utilization of Intravenous/Immune Globulin blood products.
PM#14 Regional utilization rates in access to selected services.
PM#15 Health authority administrative and support services expenditures.
PM#13 Waiting times for key services.
PM#16 Patient satisfaction rates.
Goal
Objective
Performance Measure – Data included in report
Data not available

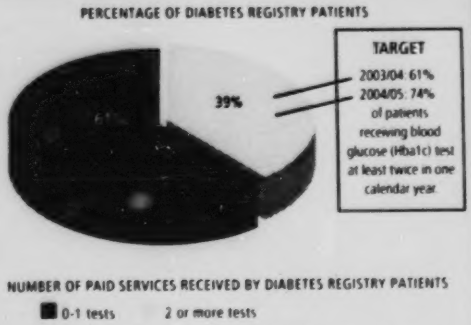
PM#1 – Rates of compliance with selected protocols and standards

This indicator measures the proportion of patients known to suffer from a chronic disease who receive services according to standards set out in protocols and guidelines developed by professionals. This year the measure will focus on diabetes. Future measures will assess the increase in the number of known patients with heart disease (congestive heart failure), asthma, depression, renal failure, and hypertension, who receive specified services within specified intervals.

Diabetes is one of the most common chronic diseases, affecting about five per cent of Canadians. Its prevalence is expected to increase significantly due to an aging population and increased rates of obesity. Efforts to control hyperglycemia, hypertension and dyslipidemia can prevent or postpone the development of complications in persons with diabetes. The B.C. diabetes guidelines, which have been adopted and shared with physicians and patients, outline strategies to help the primary care practitioner meet the complex needs of persons with diabetes, and in particular recommend tests that permit identification and control of problems and complications. One such test is blood glucose testing (Hba1c) which is recommended at least twice a year.

Data for 2001/02 reveal that of the nearly 175,000 patients on the Diabetes Registry, only 38.5 per cent received the blood glucose testing at least twice annually as recommended in the guidelines. The majority (61.5 per cent) of patients known to suffer from diabetes received the test once or not at all.

NUMBER OF TIMES PER YEAR PATIENTS RECEIVED BLOOD GLUCOSE TESTING (Hba1c), 2001/02

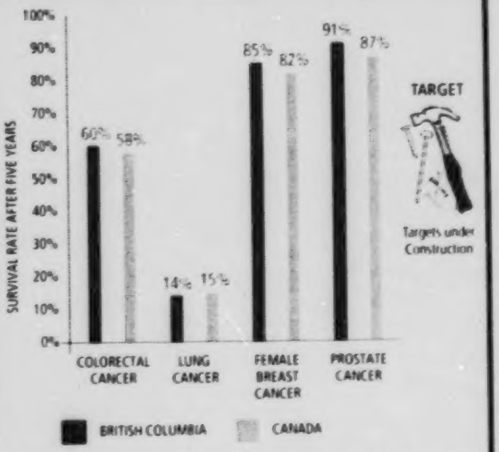


Source: BC Diabetes Registry, Population Health Surveillance and Epidemiology Branch, MSP Economic Analysis Branch.

Notes: 1. The analysis was based on individuals who:

a) received 2+ physician services (on different dates) paid by MSP within 365 days coded 250 (diabetes mellitus) since 1991; or
b) had 1+ hospital discharges coded 250 since 1991; or
c) received insulin, oral hypoglycaemics, or testing strips paid for in part by Pharmacare since 1991; and
d) received one or more MSP-paid service in 2001/02 fiscal year.

FIVE-YEAR RELATIVE SURVIVAL RATE FOR CANCER CASES, POPULATION AGED 15-99, 1997



Source: Statistics Canada, Canadian Cancer Registry, Canadian National Mortality Data Base, and Canadian and provincial life tables (1990-1992); ISQ

Note: 1. World Health Organization, International Classification of Diseases, 9th Revision (ICD-9)
2. If a patient was diagnosed with more than one invasive tumour in 1992, only the tumour recorded with the earliest date of diagnosis was retained.

PM#3 Five-year survival rates for lung, prostrate, breast, colorectal cancer

Five-year relative survival rates for cancer is defined as the proportion of individuals diagnosed with a particular type of cancer surviving for a five-year period relative to the survival of the general population with the same characteristics of age, gender and province of residence. This is a standard "yardstick" used in oncology to assess the effectiveness of treatment. In essence, it measures the probability of avoiding death from cancer for five years after the initial diagnosis. It is generally held that if one can remain disease-free for five years, the probability of long-term survival is much improved.

Cancer survival rates are influenced by two main groups of factors: (1) the severity (stage) of the cancer at the time of diagnosis, and (2) the effectiveness of cancer treatment after diagnosis. Therefore, an improvement in survival rates over time or in comparison to other regions may be the result of either or both of these groups of factors. Longer survival rates may result from improvements in early detection or from more effective treatments after diagnosis, or both, and are a useful measure for indicating improvements in these areas.

Of the B.C. residents diagnosed with colorectal cancer in 1992, 60 per cent were as likely to live another five years as were B.C. residents of the same gender and age in the general population. B.C. residents diagnosed with lung cancer in 1992 were 14 per cent as likely to live another five years as the general population. The five-year relative survival rate was 85 per cent for B.C. residents diagnosed with breast cancer in 1992 and 91 per cent for those diagnosed with prostate cancer in 1992. In all cases, the rates observed in B.C. are similar to those for the country overall. The slight differences are not statistically significant.

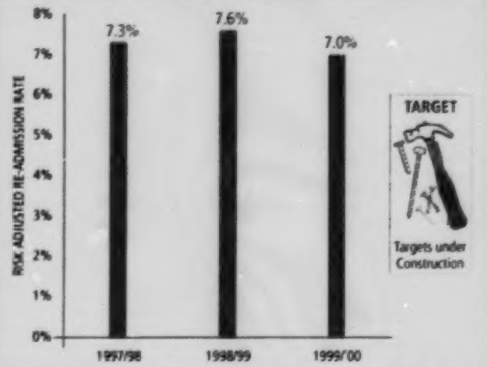
PM#4- Hospital re-admission rates for heart attack (acute myocardial infarction) and pneumonia

A. Acute Myocardial Infarction Re-admission Rate

Acute myocardial infarction (AMI) is the medical term for a heart attack. This indicator measures the rate of re-admissions to hospitals that occur within 28 days of discharge and that result from complications or an adverse occurrence after discharge from hospital care.

It is designed to provide information about the level of safety and quality care in heart health care services. The rate of re-admissions may also be an indicator of the effectiveness of heart health education programs. For example, if a person seeks treatment early in response to symptoms, there is likely less chance of complications later on.

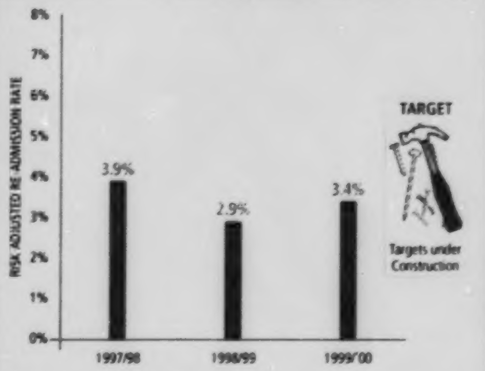
HEART ATTACK (ACUTE MYOCARDIAL INFARCTION) RE-ADMISSION RATE, B.C., 1997/98 – 1999/00



Source: Hospital Morbidity Database, Canadian Institute for Health Information

Notes: Risk adjusted rate of unplanned re-admission following admission for Acute Myocardial Infarction (AMI). A case is counted as a re-admission if it is for a relevant diagnosis or procedure and occurs within 28 days after the index AMI episode of care. An episode of care refers to all continuous care hospitalization including transfers.

PNEUMONIA RE-ADMISSION RATE, B.C., 1997/98 — 1999/00



Source: Hospital Morbidity Database, Canadian Institute for Health Information

Notes: Risk adjusted rate of unplanned re-admission following admission for pneumonia. A case is counted as a re-admission if it is for a relevant diagnosis or procedure and occurs within 28 days after the index pneumonia episode of care. An episode of care refers to all continuous care hospitalization including transfers.

Over recent years, while the number of AMI cases in B.C. hospitals rose slightly to 6,420 in 1999/00, the rate of AMI hospital re-admissions was fairly stable.

B. Pneumonia Re-admission Rate

This indicator measures the rate of re-admissions to hospitals that occur within 28 days of discharge and that result from complications or an adverse occurrence after discharge from hospital care. The measure is a broad indicator of the level of quality care provided in hospitals.

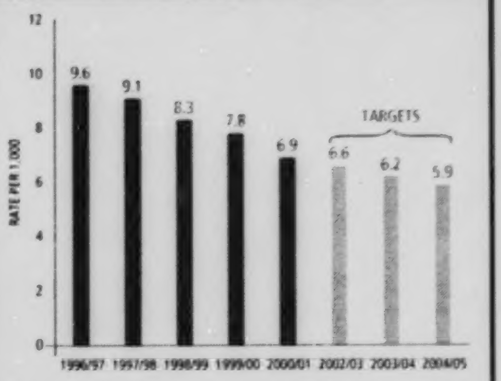
The number of hospitalizations due to pneumonia in the province was relatively constant over the three years beginning 1997/98, at about 10,850 in each year. Unplanned re-admission rates declined slightly.

PM#5 - Rate of hospital admission for conditions that could be managed outside hospitals

This indicator shows the extent to which services provided on an in-patient basis in an acute care hospital may have been managed outside of hospitals.

People admitted to hospital for conditions that usually do not need hospitalization are classified as 'May Not Require Hospitalization' or MNRH. This label is determined at a national level by the Canadian Institute for Health Information, and is consistently applied across the country. An example of an MNRH case would be an admission for corneal lens replacement, an operation that is almost always done as an out-patient (day care) procedure. The label 'MNRH' does not mean that no such cases should be admitted - there may be other reasons for admission if the patient has another existing condition that would make the normal type of care less safe. However, taken as a group they give some idea of the overall appropriateness of admissions to hospital.

RATE OF HOSPITAL ADMISSIONS PER 1,000 FOR MAY NOT REQUIRE HOSPITALIZATION, B.C., 1996/97 – 2000/01



Source: Discharge Abstract Database, Information Support

Notes:
1. This report was produced using discharges from acute and rehabilitation care levels (no newborns).
2. Data has been restricted to May Not Require Hospitalization (MHRH) CMG s.

The bar chart shows that the rate of patient admissions that were classified as MNRH has dropped steadily over recent years, from 9.6 cases per 1,000 hospital admissions in 1996/97 to 6.1 cases per 1,000 hospital admissions in 2000/01, or by 28 per cent. Since the total rate of hospital admissions dropped by 10 per cent over the same period, the proportion of cases classified as MNRH that are being admitted to hospital is also dropping. This change shows that the appropriateness of hospital admissions, as measured by this indicator, is improving.

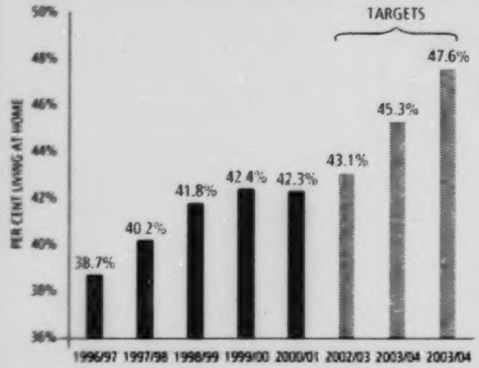
PM#6 - Percentage of home and community care clients with high care needs, living in their own home rather than a residential care facility.

This indicator measures the use of home-based care in relation to facility-based care for home and community care (HCC) clients with high care needs. These clients include people assessed at the intermediate care level 2 or higher.

One of the goals of the HCC service sector is to deliver services that are more appropriate, efficient and effective in meeting the assessed needs of clients. This will also result in a more appropriate use of residential and acute care services. HCC clients are increasingly expecting services that maintain their independence in their own homes for as long as possible. For this to occur, there needs to be a shift in service provision towards home-based care. The information will assist in planning HCC services that delay or prevent inappropriate admissions to residential care and acute care hospitals, and support early discharge from hospitals.

In 2000/01, 42.3 per cent of HCC clients with high care needs were living in their own home rather than a residential care facility. This is essentially the same percentage as for 1999/00. Prior to then, the indicator had been increasing from about 1.5 per cent to 4.0 per cent per year. This shows that the use of home care for clients with high care needs, as measured by this indicator, is improving.

PERCENTAGE OF HOME & COMMUNITY CARE CLIENTS IN B.C. WITH HIGH CARE NEEDS LIVING AT HOME RATHER THAN IN A RESIDENTIAL CARE FACILITY, 1996/97 – 2000/01



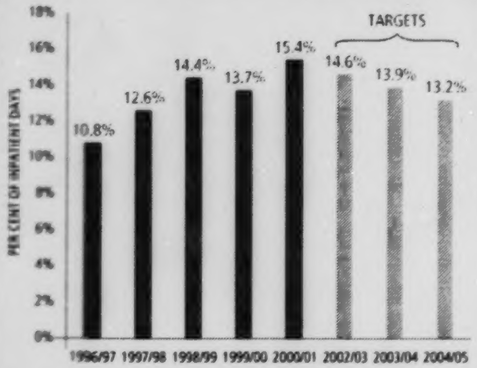
Source: Continuing Care Information Management Systems, Continuing Care Data Warehouse

Notes:
1. HCC clients at home refer to those receiving home support and adult day care. Those in residential care facilities refer to those in residential, group homes, and family care; and excludes mental health care.
2. Counts of clients are made at a point in time. Data shown in the table are for October 1st each year.

PM#7 - Alternate level of care days as a percentage of total inpatient days.

This indicator measures the number of days that Alternate Level of Care (ALC) patients spend in acute care hospitals, as a proportion of all in-patient hospital days. ALC patients are those who no longer require acute care services but are waiting in an acute care bed pending completion of discharge arrangements, or placement in an alternate service setting such as a residential care facility or community based services.

ALTERNATE LEVEL OF CARE DAYS (ALC) AS A PERCENTAGE OF TOTAL INPATIENT DAYS, B.C., 1996/97 — 2000/01



Source: Discharge Abstract Database, Information Support

Notes:
1. Total inpatient days include acute care, rehabilitation and alternate level of care/discharge planning (no newborns)
2. ALC days include all days coded alternate level of care or discharge planning.
3. The data includes Primary diagnosis and Primary procedure only.

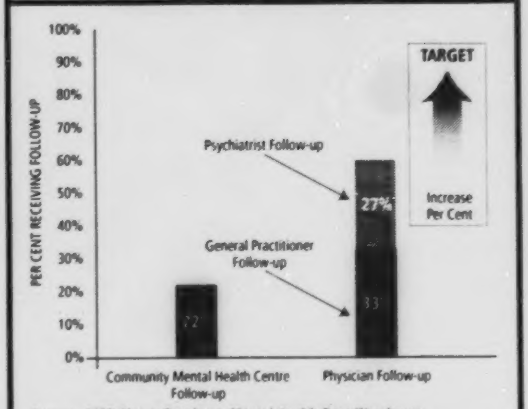
The measure is designed to indicate whether patients have timely access to the most appropriate care setting. The inappropriate use of acute care beds suggests potential issues with availability and access to alternate types of care or difficulties with discharge planning. It also suggests that management of acute care beds could be improved.

In 2000/01, ALC days accounted for 15.4 per cent of total in-patient days. Other than a slight decrease in the percentage in 1999/00, this indicator has been increasing since 1996/97 when it was 10.8 per cent. This suggests that improvements are necessary to ensure timely access to the most appropriate care setting for British Columbians, as measured by this indicator.

PM#8: Improved continuity of care measured by the proportion of persons hospitalized for a mental health diagnosis who receive community or physician follow-up care within 30 days of discharge

This indicator shows the extent to which people who have been hospitalized for a mental health diagnosis receive community or physician follow-up within 30 days of discharge.

COMMUNITY FOLLOW-UP WITHIN 30 DAYS OF HOSPITAL DISCHARGE, 1999/00



Source: MSP Claims Database, Mental Health Data Warehouse, Client/Patient Information Management (CPIM) System, Discharge Abstract Database, Information Support

It is designed to measure changes in continuity of care for people with a mental health diagnosis. A high rate of follow up care indicates that services are well-coordinated and community or physician services are available and accessible. Improvements in continuity of care are expected to improve quality health outcomes and reduce the need for hospital re-admissions soon after discharge from a hospital.

In 1999/00, approximately 82 per cent of the patients discharged from hospitals with a primary mental health diagnosis received community or physician follow up care within 30 days of discharge. Approximately 33 per cent of the clients received follow-up care from general practitioners; 27 per cent from psychiatrists; and 22 per cent from community mental health centres.

The follow-up rate for community mental health centres declined from 26 per cent in 1997/98 to 22 per cent in 1999/00. This is partially attributable to discontinued reporting by some health authorities in 1999/00. The community mental health centre follow-up rate varies significantly between "open cases" and "new cases." For clients who were already registered with community mental health centres in 1999/00 (open cases), the follow up rate was around 40 per cent compared to a 12 per cent rate for new cases.

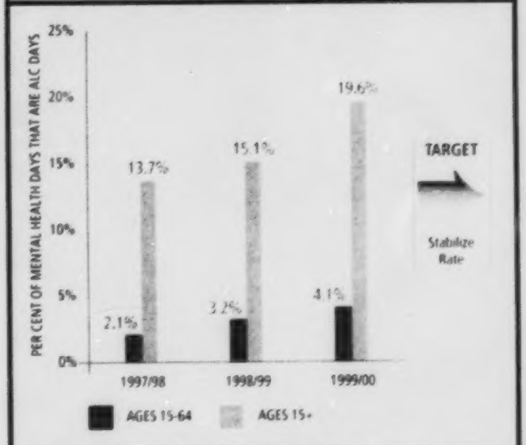
PM# 9: Percentage of days spent by mental health clients in hospitals after the need for hospital care ended

This indicator measures the number of days spent by mental health clients in hospitals after the need for hospital care ended.

It is designed to provide information about the availability of community services and the appropriate provision of services consistent with the needs of the clients. This also reflects the cost-effective use of hospital and community resources.

Over the past three years, the number of days spent by adult mental health clients

MENTAL HEALTH ALTERNATE LEVEL OF CARE (ALC) DAYS, 1997/98 – 1999/00



Source: PURFFECT, Information and Analysis Branch, Ministry of Health Services

Notes:
1. Diagnostic information based on ICD9
2. For 1999/00 and later, ALC includes all days coded alternate level of care or discharge planning

(15-64 age group) in Alternate Level of Care (ALC) has doubled. In 1997/98, mental health clients spent 2.1 per cent of the acute care and rehabilitation days in ALC; by 1999/00, it increased to 4.1 per cent.

As shown in the chart on previous page, if the scope of the analysis is expanded to include the older population, a significant number of mental health clients seems to spend days in ALC. In 1997/98, mental health clients (15+ age group) spent 13.7 per cent of the hospital stay in ALC. By 1999/00, it increased to 19.6 per cent. This suggests that improvements are necessary to ensure the availability of community services and the appropriate provision of services consistent with the needs of mental health clients, as measured by this indicator.

PM#11: Proportion of mental health clients accessing community services

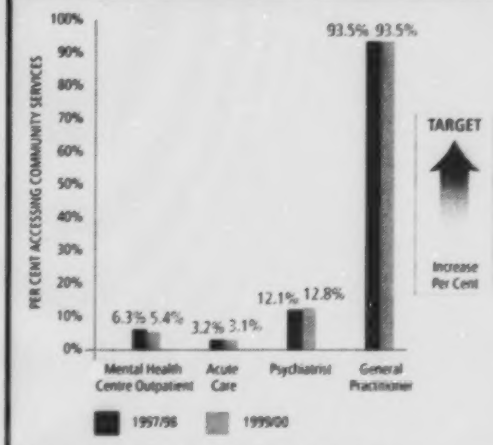
This indicator measures the percentage of mental health clients accessing community services. It is designed to reflect the availability of community services.

The majority of mental health clients in British Columbia receive community mental health services from mental health centres or physicians. However, the number and the type of services they receive vary depending upon service availability and the nature and severity of mental illness.

In 1997/98, approximately 574,000 British Columbians over the age of 15 made contact with the mental health system for a primary diagnosis of mental illness. Of these 574,000 clients, over 96.8 per cent received at least one community mental health service. By 1999/00, the number of mental health clients increased to 606,872 and over 96.9 per cent of these clients received some form of community service either from a mental health centre or a physician.

This indicator suggests that the availability of community services has remained fairly stable with about 97 per cent of clients accessing services, despite an increase in overall mental health clients over the age of 15.

PERCENTAGE OF MENTAL HEALTH CLIENTS ACCESSING COMMUNITY SERVICES, B.C., 1997/98 — 1999/00

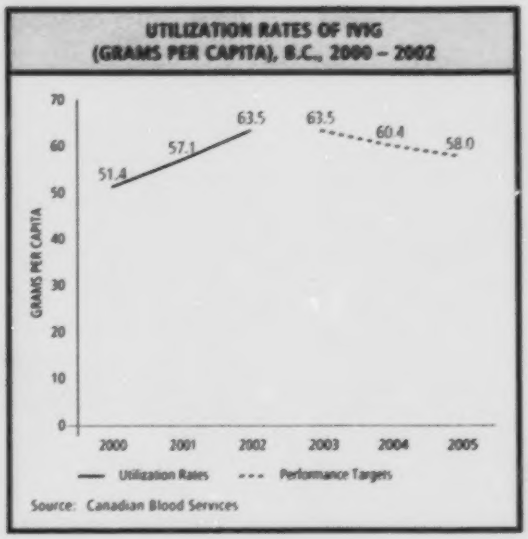


Source: MSP Claims Database, Mental Health Data Warehouse, Client/Patient Information Management (CPIM) System, Discharge Abstract Database, Information Support

As shown in the graph above, approximately 93.5 per cent of the mental health clients visit general practitioners and about 12.5 per cent receive services from psychiatrists. This pattern of use has been fairly stable over the three-year period 1997/98 to 1999/00. On the other hand, there appears to be a 14.3 per cent drop in the number of mental health clients making contact with community mental health centres. In 1997/98, 6.3 per cent of the clients received services from community mental health centres, by 1999/00, it dropped to 5.4 per cent. This drop is largely attributable to discontinued reporting by some health authorities.

PM#12 Appropriate use of blood products: use of intravenous immune globin

This indicator measures the use of intravenous immune globulin (IVIG), a fractionated blood product manufactured from human plasma. It is licensed for use in the treatment of a small number of clinical indications. It is also used to treat a growing range of unlicensed conditions.

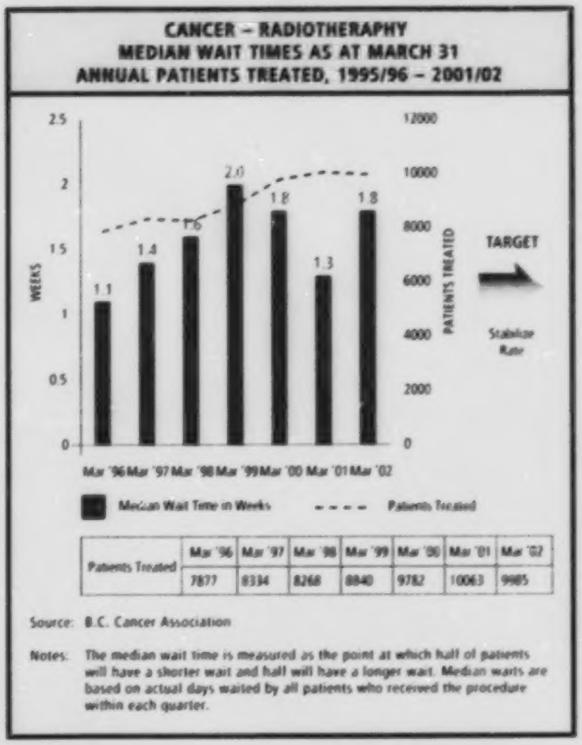


UTILIZATION RATES OF IVIG (GRAMS PER CAPITA), B.C., 2000 – 2002

Source: Canadian Blood Services

Some of these applications have a strong foundation in the medical literature while others have less conclusive basis in evidence, or no basis at all.

A study examining usage of IVIG in British Columbia in 1999 found approximately 20 per cent of the usage was for conditions where IVIG therapy was not indicated. This study clearly suggests there is scope for curbing unwarranted IVIG use in the province. The average cost of IVIG is approximately $70 per gram and the cost per course of treatment regularly exceeds $10,000.



CANCER – RADIOTHERAPHY
MEDIAN WAIT TIMES AS AT MARCH 31
ANNUAL PATIENTS TREATED, 1995/96 – 2001/02

	Mar '96	Mar '97	Mar '98	Mar '99	Mar '00	Mar '01	Mar '02
Patients Treated	7877	8334	8268	8840	9782	10063	9985

Source: B.C. Cancer Association

Notes: The median wait time is measured as the point at which half of patients will have a shorter wait and half will have a longer wait. Median waits are based on actual days waited by all patients who received the procedure within each quarter.

The chart shows that the use of IVIG in B.C. has increased over the past three years, from 51.4 grams per capita in 2000 to 63.5 grams per capita in 2002. Through the Provincial Blood Coordinating Office, the Ministry of Health Services is implementing an IVIG Utilization Management Project to monitor the appropriate use of IVIG with the goal of stabilizing and reducing usage.

PM#13 – Waiting times for key services (cancer, cardiac, hip and knee replacement)

A. Waiting times - Cancer Services

This indicator measures the percentage of patients that begin radiotherapy within four weeks of being ready to treat and that begin chemotherapy within two weeks of being ready to treat. This is based on median wait times for these services and the number of patients treated. Monitoring wait times helps to ensure patients' cancers are treated as early as possible so as to provide the best outcomes.

The expansion of the Victoria Cancer Clinic has increased the number of radiotherapy machines in B.C. As a result, radiotherapy services will be able to meet increasing demands for these services over the next few years. Planning for an additional clinic in Abbotsford within the next four to five years will help ensure provincial services keep up with the growing incidence of cancer.

In almost all instances, except for patients requiring some additional tests or preliminary treatment, patients requiring chemotherapy for their cancer receive it within one to two weeks. Therefore, the province is already meeting next year's performance target of 90 per cent of patients requiring chemotherapy within two weeks of being ready to treat.

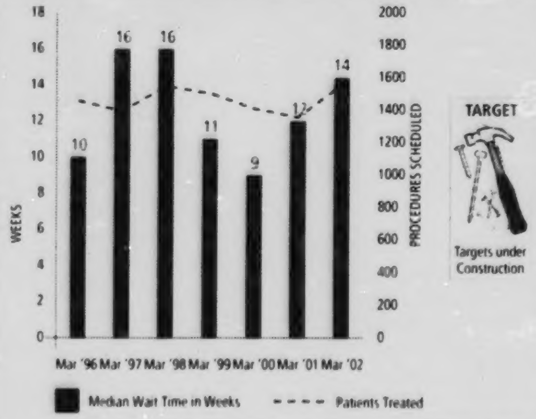
As of March 2002, 88 per cent of patients requiring radiotherapy started treatment within four weeks of being determined to be "ready to treat." The performance standard of 90 per cent within four weeks was almost met. There are some patients deemed ready to treat who require additional time for them to make the decision to proceed with therapy or to seek alternative care.

B. Waiting times – Cardiac Surgery

This indicator measures the median wait times for scheduled cardiac (heart) surgery. This category covers a range of cardiac procedures, such as coronary artery bypass surgery, valve surgery, congenital heart disease and operations of the aorta.

This indicator is designed to monitor the change in wait times in an effort to ensure patients have timely access to cardiac surgery. This will become more critical as demand for these surgeries increases, due in part to the aging population.

CARDIAC SURGERY
MEDIAN WAIT TIMES AS AT MARCH 31
ANNUAL SCHEDULED PROCEDURES, 1996/97 – 2001/02

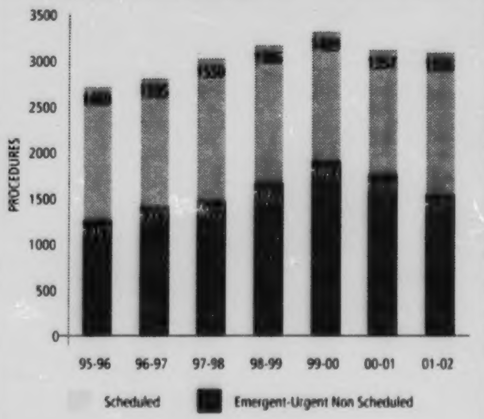


	Mar '96	Mar '97	Mar '98	Mar '99	Mar '00	Mar '01	Mar '02
Patients Treated	1460	1395	1550	1506	1409	1357	1556

Source: Cardiac Registry submitted from hospitals

Notes: 1. Excludes emergency-urgent non-scheduled procedures, as there is virtually no wait for emergency cases. Emergency cases represent about half of all cardiac surgeries performed in B.C.
2. The median wait time is measured as the point at which half of patients will have a shorter wait and half will have a longer wait. Median waits are based on actual days waited by all patients who received the procedure within each quarter.

CARDIAC SURGERY (ALL)
PROVINCIAL TOTALS, 1995/96 – 2001



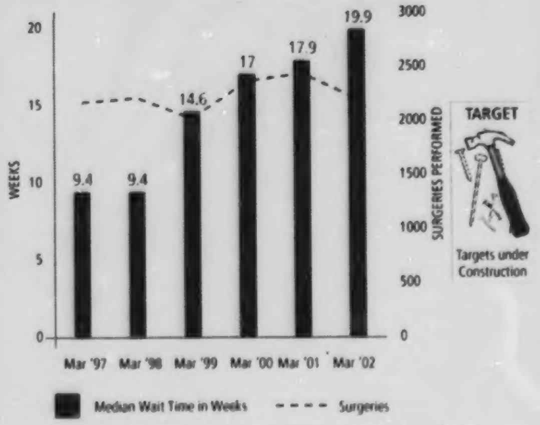
Source: Cardiac Registry submitted from hospitals

About half of all cardiac surgeries performed in the province are emergency cases. There is virtually no wait for emergency cases.

In recent years, the access times for 'scheduled' cardiac surgeries have lengthened. In 2001/02, the median wait time for scheduled cardiac surgery was 14.4 weeks, up from a median of 10 weeks in 1995/96. The increased access time is due in part to nursing staff shortages (particularly in critical care), which have reduced the ability of the cardiac surgery program to deliver all of the funded cases in each of the last four years.

In the last two years, the number of scheduled cases on the waitlist has decreased. Coronary angioplasty, an alternative to coronary bypass graft surgery in some cases, has expanded significantly in recent years, from 3,000 cases in 1995/96 to over 4,700 in 2001/02. The development of alternative treatments has helped to keep the number of cases on the waitlist for cardiac surgery in control.

HIP REPLACEMENT SURGERY
MEDIAN WAIT TIMES AS AT MARCH 31
ANNUAL SCHEDULED PROCEDURES, 1996/97 – 2001/02

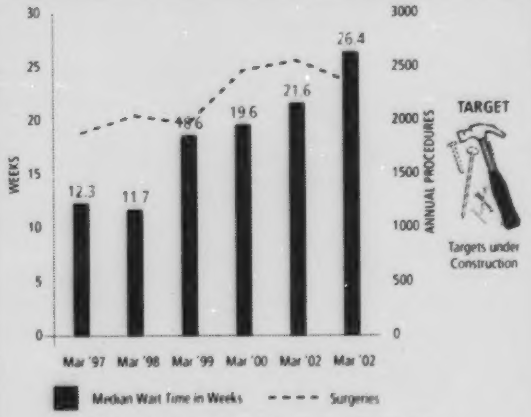


	Mar '97	Mar '98	Mar '99	Mar '00	Mar '01	Mar '02
Surgeries	2174	2216	2027	2366	2441	2205

Source: Waitlist registry submitted from hospitals

Notes: The median wait time is measured as the point at which half of patients will have a shorter wait and half will have a longer wait. Median waits are based on actual days waited by all patients who received the procedure within each quarter.

KNEE REPLACEMENT SURGERY
MEDIAN WAIT TIMES AS AT MARCH 31
ANNUAL SCHEDULED PROCEDURES, 1996/97 – 2001/02



	Mar '97	Mar '98	Mar '99	Mar '00	Mar '01	Mar '02
Surgeries	1884	2046	1973	2464	2557	2355

Source Waitlist registry submitted from hospitals

Notes The median wait time is measured as the point at which half of patients will have a shorter wait and half will have a longer wait. Median waits are based on actual days waited by all patients who received the procedure within each quarter.

C. Waiting times – Hip and Knee Replacement Surgery

This indicator measures the median wait time for hip and knee replacement surgery. Tracking wait times is done in an effort to ensure timely access to these procedures.

Over the last five years there has been a significant rise in the median waiting times for surgery for both of these services. At the same time the number of procedures performed over time has been relatively constant for hip replacement surgery and moderately increased for knee replacement surgery.

There is a greater demand for these surgeries because of expanded eligibility criteria in addition to population growth and aging. Also, disruptions to the health care system by job action and nursing staff shortages have meant longer access time to services for chronic conditions so as to maintain emergency and urgent care for the more acute conditions.

In 2001/02, the median wait time for hip surgery was 19.9 weeks, significantly up from the 9.4 weeks wait time in 1996/97. The median wait time for knee surgery in 2001/02 was 26.4 weeks, up from 12.3 weeks in 1996/97. Restructuring of the health care system will enable health authorities to address this issue and provide more timely access.

PM #14 - Regional utilization rates of selected services (hip, knee, cardiac)

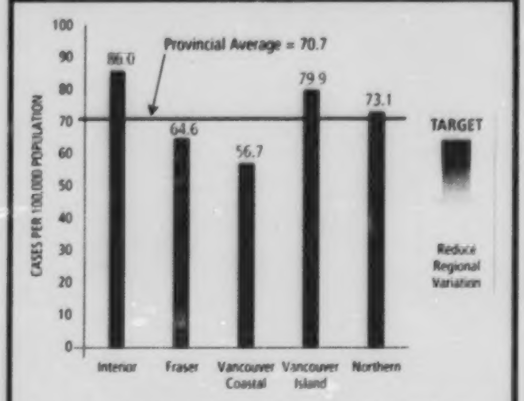
This indicator measures utilization rates of hip replacement, knee replacement and coronary artery bypass graft surgeries for various provincial regions. Measuring these regional rates is one way to compare the level of access to services among regions in an effort to ensure equal access for all to quality health care.

A. Hip Replacement Surgeries

In 2000/01, there were 70.7 hip replacement surgeries performed for every 100,000 residents of the province. Comparing age-adjusted rates (which take into consideration the population demographics in each health authority), residents of the Interior had the highest rate of hip replacement surgeries (86.0) and residents of Vancouver had the lowest (56.7).

The target for this indicator is that the rates of services should be within 10 per cent of the provincial average.

HIP REPLACEMENT SURGERY RATE (CASES PER 100,000 POPULATION) 2000/01



Source: Discharge Abstract Database, Information Support; Population tables from PEOPLE26, BC Stats.

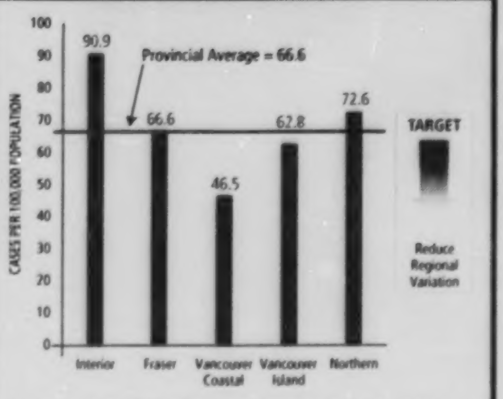
Notes: 1. The rates are per 100,000 age-adjusted population
2. Residents of B.C. treated out of province are included. Non-BC residents are excluded.

B. Knee Replacement Surgeries

In 2000/01, there were 66.6 knee replacement surgeries performed for every 100,000 residents of the province. Comparing age-adjusted rates (which take into consideration the population demographics in each health authority), residents of the Interior had the highest rate of knee replacement surgeries (91.0) and residents of Vancouver had the lowest (46.5).

The target for this indicator is that the rates of services should be within 10 per cent of the provincial average.

KNEE REPLACEMENT SURGERY RATE (CASES PER 100,000 POPULATION) 2000/01



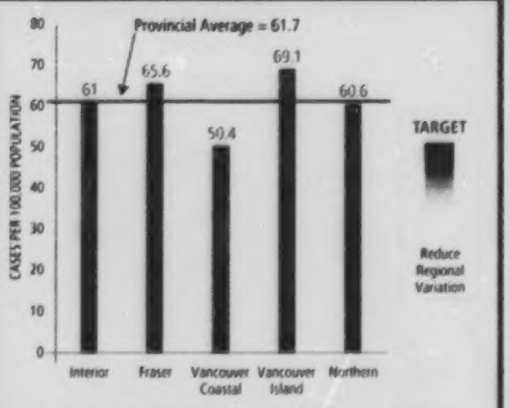
Source: Discharge Abstract Database, Information Support; Population tables from PEOPLE26, BC Stats.

Notes: 1. The rates are per 100,000 age-adjusted population
2. Residents of B.C. treated out of province are included. Non-BC residents are excluded.

C. Coronary Artery Bypass Graft (CABG) Procedures Rate

In 2000/01, there were 61.7 coronary artery bypass graft (CABG) procedures performed for every 100,000 residents of the province. Comparing age-adjusted rates, which take into consideration the population demographics in each health authority.

CORONARY ARTERY BYPASS GRAFT (GABC) PROCEDURES RATE (CASES PER 100,000 POPULATION) 2000/01



Source: Discharge Abstract Database, Information Support; Population tables from PEOPLE26, BC Stats.

Notes: 1. The rates are per 100,000 age-adjusted population
2. Residents of B.C. treated out of province are included. Non-BC residents are excluded.

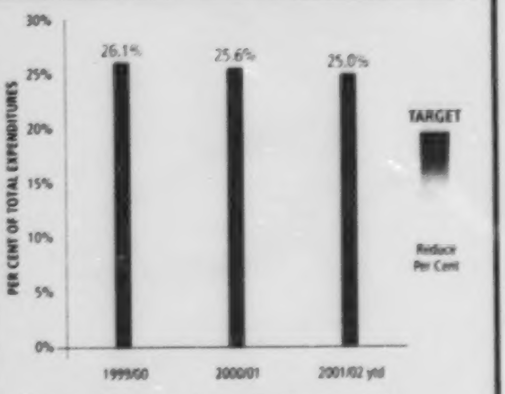
residents of the Vancouver Island region had the highest rate of CABG surgeries (69.1) and residents of Vancouver had the lowest (50.4).

The target for this indicator is that the rates of services should be within 10 per cent of the provincial average.

PM#15 – Health Authority administrative and support services expenditures as a percentage of total expenditures

This indicator measures the percentage of total health authority expenditures represented by administrative support services, in an attempt to encourage regional health authorities to ensure that every available dollar is directed towards patient care. Administrative services include functions such as finance, human resources, communications, and plant administration. Support services refer to areas such as materiel management, laundry and linen, plant operations, plant security, plant maintenance and food services.

HEALTH AUTHORITY ADMINISTRATION AND SUPPORT EXPENDITURES, 1999/00 – 2001/02



Source: Health Authority Management Information System, Information and Support Branch

Notes:
1. Administration and support expenditures include functional centres for administration and support as defined by CIHI plus functional centres for nursing inpatient services, ambulatory care and community to ensure consistency with ministry analysis, and excludes systems support.
2. Total expenditures exclude amounts for contracted service providers.
3. Result for 2001/02 is based on information available at time of compilation of this report, and may not reflect final expenditure information, including restructuring costs recognized during 2001/02.

By reducing the number of health authorities from 52 to six in 2001/02, encouraging shared services, and providing new tools for management of human resources (Bill 29 – *The Health And Social Services Delivery Improvement Act*), it is expected that health authorities will be able to provide the same level and quality of services in a much more cost-effective manner.

The bar chart shows that over the last three years the proportion of expenditures on administrative and support services has declined from 26.1 per cent in 1999/00 to 25.0 per cent in 2001/02. This downward trend is expected to continue given the aggressive targets set out in the regional health authorities' 2002/03 performance agreements.

PM#16 – Patient satisfaction rates

This indicator measures people's level of satisfaction with B.C. health care services in general and based on whether the health care service was received in a hospital, doctor's office, or community centre. This information helps to identify improvements from the patient's perspective and therefore supports accountability and a patient-centered health care system.

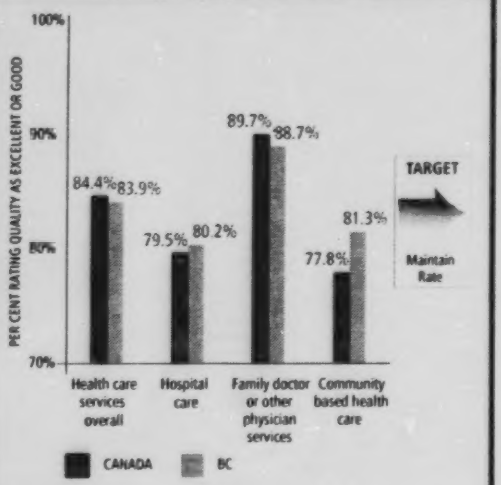
The bar charts on page 44 show that the majority of British Columbians who reported receiving any health care services in the past twelve months were generally satisfied with the way care was provided (86 per cent) and a majority rated the overall quality of the care they received as good or excellent (84 per cent).

Eighty-one percent (81 per cent) of British Columbians who reported receiving hospital care in the past twelve months were satisfied with the way that care was provided and 80 per cent rated the quality of the care they received in hospital as good or excellent.

Ninety-one percent (91 per cent) of British Columbians who reported receiving care from a family doctor or other physician in the past twelve months were satisfied with the way care was provided and 89 per cent rated the quality of the care they received from doctors as good or excellent.

Eighty-eight percent (88 per cent) of British Columbians who reported receiving community care in the past twelve months were satisfied with the way that care was provided and 81 per cent rated the quality of the community care they received as good or excellent.

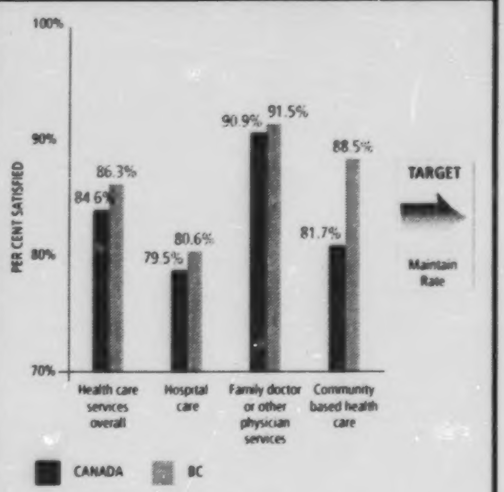
PATIENTS RATINGS OF THE QUALITY OF SELECT HEALTH CARE SERVICES



Source: Canadian Community Health Survey
(sub sample approximately 25,000) — Cycle 1.1 2000

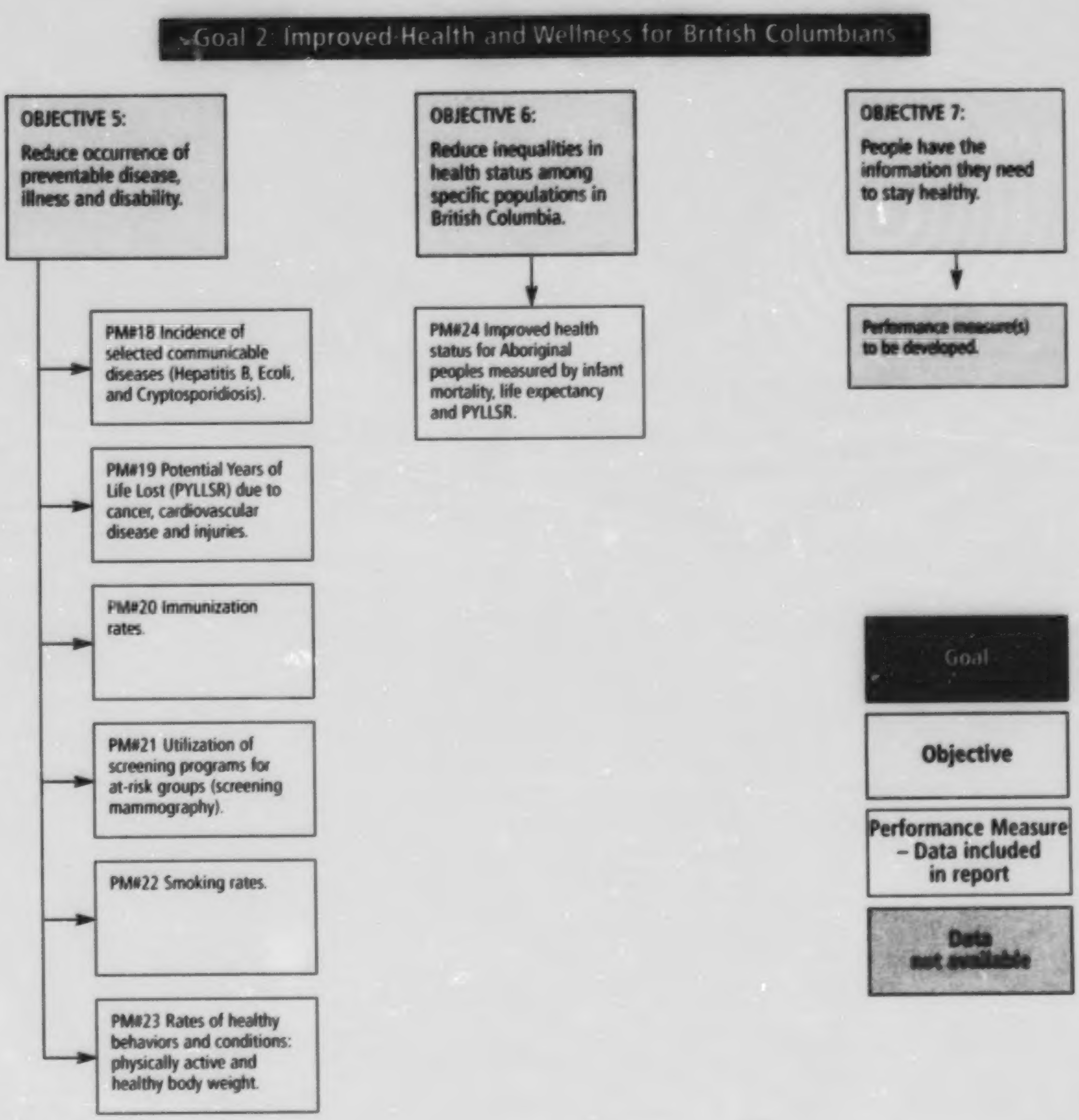
Notes:
1. Any Health Care Services: population aged 15 and over who reported receiving health care services in the past 12 months.
2. Hospital Care: population aged 15 and over who reported receiving hospital care in the past 12 months. This includes inpatient, outpatient and emergency room services.
3. Family Doctor or Other Physician: population aged 15 and over who reported receiving health care services from a family doctor or other physician, excluding those services which may have been received during a hospital visit.
4. Community-based Health Care: population aged 15 and over who reported receiving community-based health care in the past 12 months, excluding that received through a hospital or doctor s office. Examples of community-based health care include home nursing care, home-based counselling or therapy, personal care and community walk-in clinics.
5. Quality: Quality of health care services rated as excellent or very good

PATIENTS SATISFACTION WITH SELECT HEALTH CARE SERVICES



Source: Canadian Community Health Survey
(sub sample approximately 25,000) — Cycle 1.1 2000

Notes:
1. Any Health Care Services: population aged 15 and over who reported receiving health care services in the past 12 months.
2. Hospital Care: population aged 15 and over who reported receiving hospital care in the past 12 months. This includes inpatient, outpatient and emergency room services.
3. Family Doctor or Other Physician: population aged 15 and over who reported receiving health care services from a family doctor or other physician, excluding those services which may have been received during a hospital visit.
4. Community-based Health Care: population aged 15 and over who reported receiving community-based health care in the past 12 months, excluding that received through a hospital or doctor s office. Examples of community-based health care include home nursing care, home-based counselling or therapy, personal care and community walk-in clinics.
5. Satisfaction: Very or somewhat satisfied with health care services received



Goal 2: Improved Health and Wellness for British Columbians

OBJECTIVE 5:

Reduce occurrence of preventable disease, illness and disability.

PM#18 Incidence of selected communicable diseases (Hepatitis B, Ecoli, and Cryptosporidiosis).

PM#19 Potential Years of Life Lost (PYLLSR) due to cancer, cardiovascular disease and injuries.

PM#20 Immunization rates.

PM#21 Utilization of screening programs for at-risk groups (screening mammography).

PM#22 Smoking rates.

PM#23 Rates of healthy behaviors and conditions: physically active and healthy body weight.

OBJECTIVE 6:

Reduce inequalities in health status among specific populations in British Columbia.

PM#24 Improved health status for Aboriginal peoples measured by infant mortality, life expectancy and PYLLSR.

OBJECTIVE 7:

People have the information they need to stay healthy.

Performance measure(s) to be developed.

PM#18 – Incidence of selected communicable diseases (hepatitis B, cryptosporidiosis, *E. coli*)

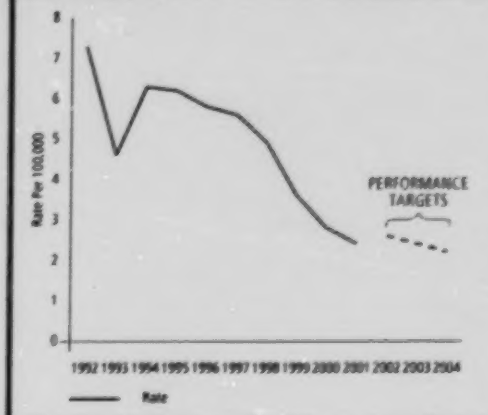
This indicator measures the success of provincial health programs in preventing and controlling select communicable diseases.

Hepatitis B

The first of these indicators measures the incidence of acute hepatitis B. A decrease in the number of these cases is an important indicator of the effectiveness of the immunization program for this disease. Upon recognition of high disease rates in the province, the government introduced an immunization program in 1992 for Grade 6 students and high risk groups. In 2001, it expanded the program to include all infants.

As the graph shows, the incidence of hepatitis B has been declining in recent years, particularly among young people who have benefited from immunization. The incidence has dropped from 5.6 reported cases per 100,000 population in 1997 to 2.4 reported cases per 100,000 in 2001. This indicator suggests that immunization programs have become more effective.

HEPATITIS B, B.C. 1992 – 2001



Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Rate	7.3	4.6	6.3	6.2	5.8	5.6	4.9	3.6	2.8	2.4	2.6	2.4	2.2
No. of Cases	255	163	232	233	224	221	197	143	113	98			

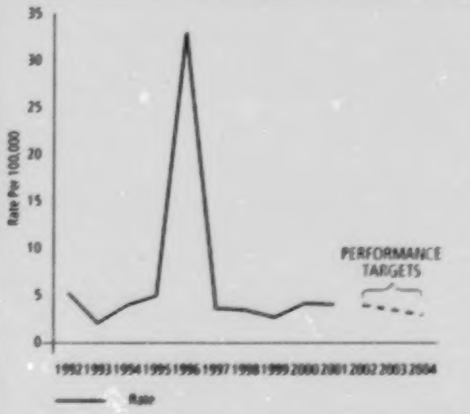
Source: Epidemiology Services, BC Centre for Disease Control

Cryptosporidiosis

The second of these indicators measures the occurrence of Cryptosporidiosis, which is primarily an indicator of drinking water quality and safety.

Following large water-borne disease outbreaks in 1996, disease rates have declined in recent years to the range of 2.7 to 4.1 reported cases per 100,000 population. However, environmental conditions in some drinking water systems continue to pose a risk of future outbreaks.

CRYPTOSPORIDIOSIS, B.C. 1992 – 2001



Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Rate	5.4	2.1	4.0	5.0	33.0	3.7	3.5	2.7	4.2	4.1	4.0	3.5	3.0
No. of Cases	187	74	149	189	1281	145	141	110	170	167			

Source: Epidemiology Services, BC Centre for Disease Control

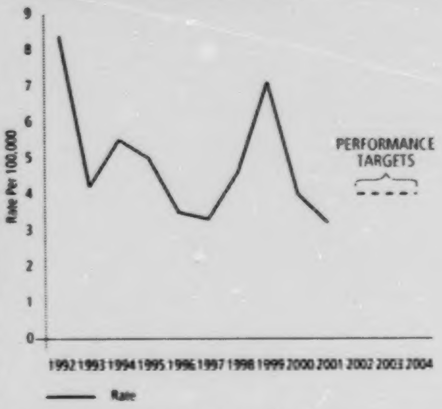
Note: The changes in the incidence of this disease appear very big on the graph in the epidemic year because usually there are fewer cases in the province.

Verotoxigenic *E. coli*

The third of these indicators measures the occurrence of Verotoxigenic *E. coli* (0157:H7), which is primarily a food-borne illness caused by unsafe food handling practices. It is a good indicator of the effectiveness of prevention efforts, including the promotion of safe food-handling practices.

Disease rates have varied in relation to the number and size of outbreaks. The incidence has declined in recent years to 3.2 reported cases per 100,000 population. This suggests that prevention efforts, including public awareness, are becoming more effective.

VERITOXIGENIC E. COLI, B.C. 1992 – 2001



Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Rate	8.4	4.2	5.5	5.0	3.5	3.3	4.6	7.0	4.0	3.2	4.0	4.0	4.0
No. of Cases	292	150	204	189	137	132	183	287	164	133			

Source: Epidemiology Services, BC Centre for Disease Control

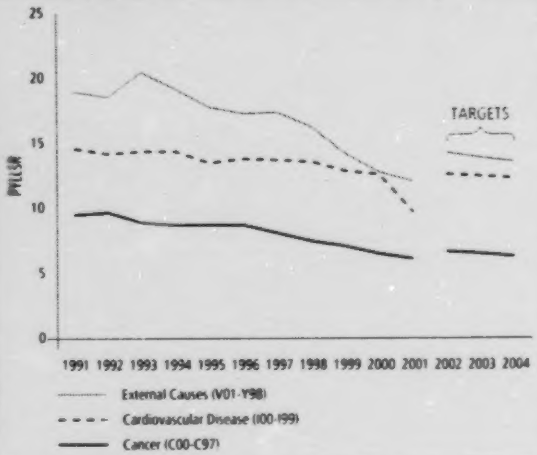
PM#19 – Potential years of life lost standardization rates (PYLLSR) due to cancer, cardiovascular disease and injuries

Potential Years of Life Lost (PYLL) focuses on premature deaths – deaths that occur in the younger age groups and that can, in theory, be prevented or at least postponed. PYLLSR, a generally accepted, overall indicator of population health, is a good measure of the effectiveness of prevention programs.

Cardiovascular disease, cancer, and injuries account for approximately two-thirds of total PYLL (cardiovascular disease: 15 per cent, cancer: 30 per cent, injuries: 22 per cent). Significant reductions are possible. For example, a one per cent reduction in blood cholesterol level or a 1 mmHg reduction in diastolic blood pressure in a population can each result in at two to three per cent decrease in the risk of cardiovascular disease. People who quit smoking can reduce their risk of heart attack by as much as 50 per cent. Cancer death rates can be reduced by efforts to reduce smoking (some estimates are 25 to 50 per cent), improve diets, screen for breast and cervical cancer, reduce sun exposure, and continue development and use of cancer treatments. Up to 90 per cent of injuries are preventable, if proven prevention methods are fully implemented.

Potential years of life lost standardized rates for all three mortality categories have

POTENTIAL YEARS OF LIFE LOST STANDARDIZED RATE FOR SELECTED CAUSES, B.C. 1991 – 2001

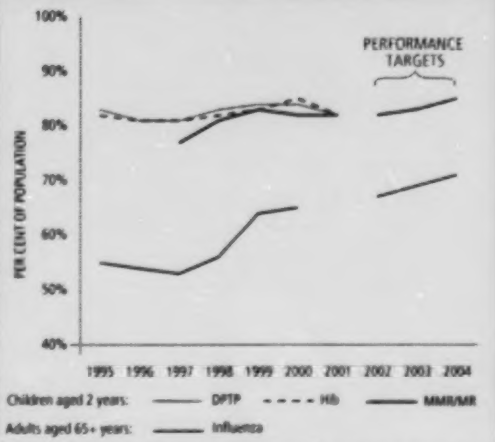


Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
External Causes	19	18.6	20.5	19.2	17.8	17.3	17.4	16.3	14.2	12.8	12.1	14.3	13.9	13.6
Cardio-vascular Disease	14.6	14.2	14.4	14.4	13.5	13.8	13.7	13.6	12.9	12.6	9.7	12.6	12.5	12.3
Cancer	9.5	9.7	8.9	8.7	8.7	8.7	8.1	7.5	7.1	6.5	6.1	6.7	6.5	6.3

Source: Epidemiology Services, BC Centre for Disease Control

Note: Potential Years of Life Lost Rate (PYLLSR) per 1,000 Standard population (Canada Census 1991) demonstrated general decreasing trends over the past decade, with the most significant improvements seen for external causes. This suggests that prevention programs are becoming more effective.

ESTIMATED IMMUNIZATION RATES, CHILDREN AGED 2 YEARS AND ADULTS AGED 65+ YEARS, B.C., 1995 — 2001



YEAR	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
DPTP	83%	81%	81%	83%	84%	84%	82%	82%	83%	85%
Hib	82%	81%	81%	82%	83%	85%	82%	82%	83%	85%
MMR/MR			77%	81%	83%	82%	82%	82%	83%	85%
Influenza	55%	54%	53%	56%	64%	65%		67%	69%	71%

Source: Disease and Injury Prevention Branch

Notes: Children aged 2 years:
1. Complete data were not available for the following regions: Upper Island/Central Coast, South Fraser, Burnaby, Vancouver, North Shore
2. Statistics are determined from an audit of a one-month sample of Child Health Records done in April of each year.
3. MMR = Measles Mumps Rubella or Measles Rubella (2 doses). Comparable data not available prior to 1997.
4. DPTP = Diptheria Pertussis Tetanus Polio (4 doses). Hib = Haemophilus influenza b (4 doses)

Adults aged 65+ years:
1. Influenza vaccine. Provincial data excludes Vancouver and Capital Health Regions.

PM#20 – Estimated immunization rates

These indicators measure the coverage of selected immunization programs. Low rates may indicate a problem in access to or delivery of these highly effective health services.

A. Immunization Rates, Two-Year-Old Children

Immunization programs for children remain among the most cost-effective ways to improve health status and reduce health care costs. In British Columbia, all infants and preschool children have access to immunizations to protect them from nine serious diseases. These are: diphtheria, tetanus, polio, pertussis, haemophilus influenzae type b, mumps, measles, rubella, and hepatitis B. (Data on the hepatitis B immunization program, implemented in 2001, are not yet available for this age group.)

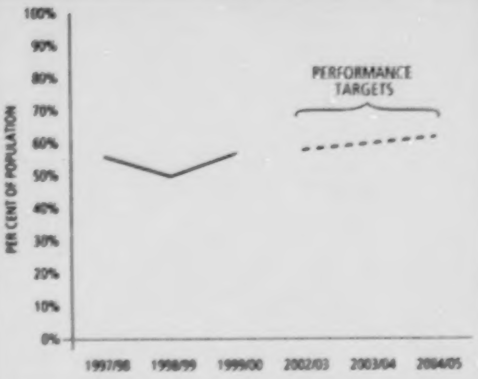
In 2001, about half of the health regions estimated that over 80 per cent of children had been fully immunized by their second birthday. Provincially, the reported immunization rates for two-year-olds, while relatively stable in recent years, decreased slightly in 2001 from 2000. For some areas of the province, immunization statistics remain unavailable due to various data collection and retrieval issues. The Ministry of Health Planning is reviewing methods to support improved data reporting in order to improve the accuracy of these estimates.

B. Influenza Immunization, Adults Aged 65 and Older

Influenza is a major cause of illness, hospitalization and death among older adults. Annual influenza vaccination reduces the risk of disease or may lessen the severity of illness. It also is effective preparation for an influenza pandemic, which is anticipated within the next five to ten years. Full implementation of the recommended influenza immunization program (80 per cent of adults aged 65 and older immunized) could prevent half of the deaths, hospitalizations and physician visits for influenza.

Provincially, an estimated 65 per cent of adults 65 years-of-age and older were immunized for influenza in 2000, which reflects a continued improvement in the vaccination rate (2001 data not yet available). This suggests that access to and delivery of these programs is improving.

SCREENING MAMMOGRAPHY ESTIMATED BIANNUAL SCREENING RATE, 1997/98 – 1999/00



YEAR	1997/98	1998/99	1999/00	2002/03	2003/04	2004/05
% OF POPULATION	56%	50%	57%	58%	60%	62%

Source: MSP Data; SMPBC Trends, Health Data Warehouse; Population data: BC Stats and Health Data Warehouse

Notes:
1. As biannual data is not currently available from MSP, the rate of bilateral mammography utilization during each of 2-year period is estimated by assuming the proportion of women who received bilateral mammography through MSP in both years, are the same as that within SMP.
2. Based on the regional distribution of MSP exams, we assume that about 3 per cent of population receive bilateral mammograms through MSP for diagnostic rather than screening purposes. Thus, the overall annual and biannual screening rate is adjusted downwards by 3 per cent.
3. The estimate for biannual MSP volume is calculated by formulae (MSP1st year +MSP2ndyear)* SMP2years/(SMP1st year+SMP2nd year)
4. MSP data includes only MSP FFS item 8611 on female patients only; all out of province claims are excluded
5. MSP data contains payment data to August 15, 2001 for services provided within fiscal year 2000/01.

PM#21 – Utilization of screening programs

A. Screening Mammography – Annual Summary

This indicator measures the use of mammograms to screen 50- to 74-year-old women annually for cancer, an important service for the early detection of illness. Reaching a larger proportion of the population is important in improving population health. Low utilization rates can indicate areas where women may have problems accessing this service.

Most screenings are provided through the Screening Mammography Program (SMP) of B.C. The number of screens provided by the program has increased each year since it began in 1988. Mammography services can also be provided through hospitals and x-ray facilities (billed through MSP).

The estimated annual rate of mammography screenings increased to 33 per cent of the target population in 1996. Since then, the rate has decreased slightly to 30 per cent of the target population in the year 2000. This is largely because in 1997 the SMPBC changed the screening interval recommendation for 50- to 79-year-old women to be at least once every two years instead of annually. However, the increasing trend of utilizing SMPBC for screening purpose is an encouraging step toward effective use of health care resources to improve population health.

B. Screening Mammography – Biannual Summary

This indicator measures the use of mammograms to screen 50- to 74-year-old women for cancer biannually or once every two years. The biannual screening rate for SMPBC is calculated based on the number of women who attended SMPBC during each two-year period. As each woman is counted only once, the biannual rate is smaller than the sum of the annual rates.

The estimated biannual screening rate for SMPBC has increased to 57 per cent in 1999/00.

PM#22 - Current Smoking Rates

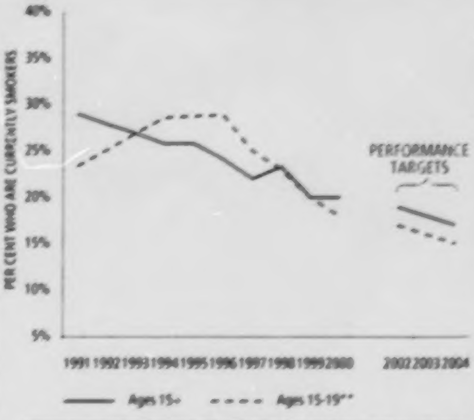
This indicator measures the proportion of the population who are current smokers (those who smoke cigarettes on either a daily or occasional basis).

Smoking is the most frequent cause of lung cancer and chronic respiratory disease, and also increases the risk of coronary heart disease, stroke, and Sudden Infant Death Syndrome (SIDS). While the provincial smoking rate has continued to decline over time as the provincial tobacco control strategy has implemented a comprehensive range of programs, some regions have higher rates than the provincial average.

based on a 1997 provincial survey. Other regions have attained prevalence rates at or below the provincial targets, indicating that reductions to the target level are possible to achieve. An emphasis on youth tobacco programming over the past five years has contributed to the significant drop in tobacco use rates among 15- to 19-year-olds. Comprehensive strategies elsewhere have achieved significant results.

The rate of smoking in B.C. is currently the lowest in Canada for the general population aged 12+ years and for youth population aged 15 to 19 years. For the year 2000, the rate is 20.5 per cent for the general population aged 12 and over and 16.5 per cent for youth aged 15 to 19. As the graph indicates, rates have been dropping since 1994. This suggests that the provincial programs to reduce smoking have been effective.

CURRENT SMOKING RATES, AGES 15+ AND AGES 15-19, B.C., 1990 – 2001



YEAR	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	2003	2004
Ages 15-19*	23%	25%	27%	29%	29%	29%	25%	23%	20%	18%	17%	16%	15%
Ages 15+	29%	28%	27%	26%	26%	24%	22%	23%	20%	20%	19%	18%	17%

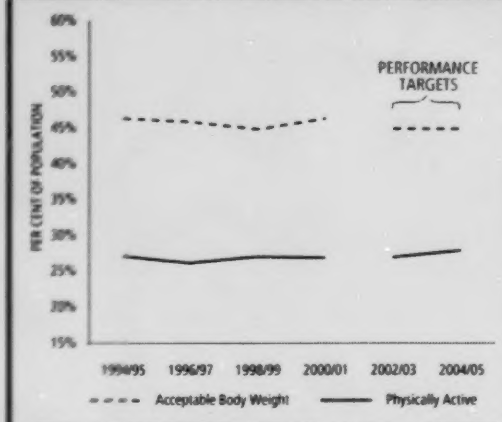
* Includes daily and occasional smoking

** Rates for ages 15-19 in earlier years are based on very small sample sizes and are less reliable. Angus Reid (1997) data are ages 15-18 years.

Source: Data for 1991: Stats Can, GSS. Data for 1997: Angus Reid, Tobacco Use in B.C. Survey. Data for 1994, 1996, and 1998: Stats Can, NPHS. Data for 1999 and 2000: Health Canada, CTUMS.

Note: NPHS and Angus Reid data are ages 12+, CTUMS data are ages 15+.

PREVALENCE OF ACCEPTABLE BODY WEIGHT AND PHYSICAL ACTIVITY, B.C., 1994 – 2001



YEAR	1994/95	1996/97	1998/99	2000/01	2002/03	2004/05
Acceptable Body Weight	46.4%	45.9%	44.9%	46.4%	45.0%	45.0%
Physically Active	27.2%	26.2%	27.1%	26.9%	27.0%	28.0%

Source: Disease and Injury Prevention Branch

Notes:
1. Data from National Population Health Survey for 1994/95, 1996/97, and 1998/99; data from Canadian Community Health Survey for 2000/01.
2. Acceptable body weight means a Body Mass Index of 20.0 – 24.9, for people aged 20-64 years (excluding pregnant women).
3. Physically active is based on response to questions about the frequency, duration, and intensity of participation in leisure time physical activity, for people aged 12+ years.

PM#23 – Rates of healthy behaviours and conditions prevalence of acceptable body weight and physical activity

This indicator measures the percentage of the population that has an acceptable body weight and who are physically active. These rates provide information about the success of policies and programs to promote a healthy lifestyle.

BMI (Body Mass Index) is an indicator of obesity and therefore an indicator of risk for chronic disease in the adult population, particularly heart disease and diabetes. The percentage of British Columbians aged 20 to 64 years (excluding pregnant women) who are maintaining an acceptable BMI has remained stable at about 45 per cent in recent years. Research indicates a trend towards increasing obesity across North America and therefore, the future performance target is focused on maintaining the prevalence of acceptable body weight at 45 per cent.

Physical inactivity is a risk factor for chronic diseases such as heart disease, diabetes, and some cancers. The level of physical activity is an indicator of population risk for future chronic illness. The percentage of British Columbians, 12 years-of-age and older who are physically active during their leisure time has remained stable at about 27 per cent in recent years. Therefore, the future performance target is to increase the percentage of the population who are physically active enough to achieve health benefits.

PM#24 – Improved health status of Aboriginal peoples

This indicator measures infant mortality and life expectancy rates and potential years of life lost for Aboriginal peoples. As a group, they have a level of health that falls below that of the general population. It also reflects the success in reducing this long-standing gap in health status.

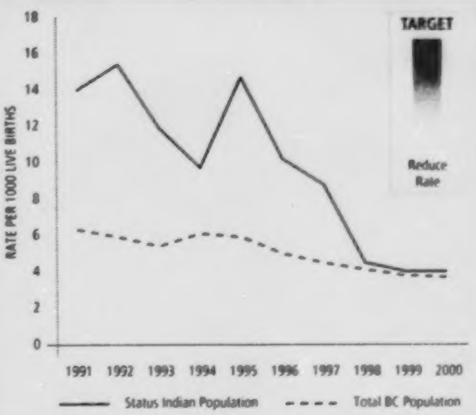
A. Status Indian Infant Mortality Rates

The infant mortality rate for the status Indian population in the province ranged from a high of 15.4 to a low of 4.0 over the years 1991 to 2000. The 2000 rate of 4.0 infant deaths per 1,000 live births was only slightly greater than the overall provincial rate of 3.7. This is a vast improvement over rates that were more than double the provincial rate in the early 1990s.

B. B.C. and Status Indian Life Expectancy

Life expectancy is an estimate of the average number of years that a person born in that year is expected to live, based on current mortality rates. For British Columbians, life expectancy (five-year average) has risen steadily in the last decade from 78.6 to 79.9 in the general population, and from 69.0 to 72.3 in the status Indian population. Although still less than the general

INFANT MORTALITY RATES – BRITISH COLUMBIA STATUS INDIAN POPULATION, 1991 – 2000

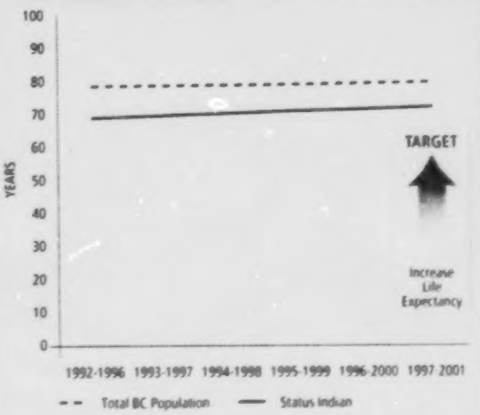


YEAR	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Status Indian Population	14	15.4	11.9	9.7	14.7	10.2	8.5	4.5	4	4
Total BC Population	6.3	5.9	5.4	6.1	5.9	5	4.5	4.1	3.8	3.7

Source: BC Vital Statistics Agency (Status Indian Info);
BC Stats (BC population)

Note: Rates are per 1,000 live births in the specified area

LIFE EXPECTANCY — BRITISH COLUMBIA STATUS INDIAN POPULATION, 1991 — 2000



YEAR	1992-96	1993-97	1994-98	1995-99	1996-00	1997-01
Status Indian Population	69.0	69.8	70.5	71.2	71.7	72.3
Total BC Population	78.6	78.8	79.0	79.2	79.5	79.9

Source: BC Vital Statistics Agency (Status Indian info);
BC Stats (BC population)

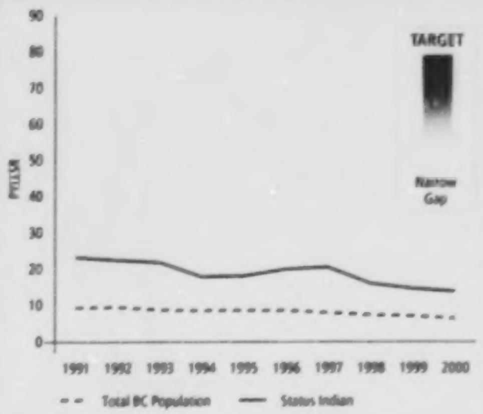
Note: Rates are per 1,000 live births in the specified area population, the gap in life expectancy between the status Indian and general populations has decreased slightly in the last decade.

C. B.C. and Status Indian Potential Years of Lost Life Standardized Rates (PYLLSR)

Potential Years of Life Lost (PYLL) focuses on premature deaths – deaths that occur in the younger age groups and that can, in theory, be prevented or at least postponed. PYLLSR, a generally accepted, overall indicator of population health, also measures the effectiveness of prevention programs. Cardiovascular disease, cancer, and injuries account for approximately two-thirds of total PYLL (cardiovascular disease - five per cent, cancer – 30 per cent, injuries – 22 per cent). Significant reductions are possible.

Potential years of life lost standardized rates for all three mortality categories have demonstrated general decreasing trends over the past decade, with the most significant

POTENTIAL YEARS OF LIFE LOST DUE TO CARDIOVASCULAR DISEASE (I00-I99), BRITISH COLUMBIA STATUS INDIAN POPULATION, 1991 — 2000

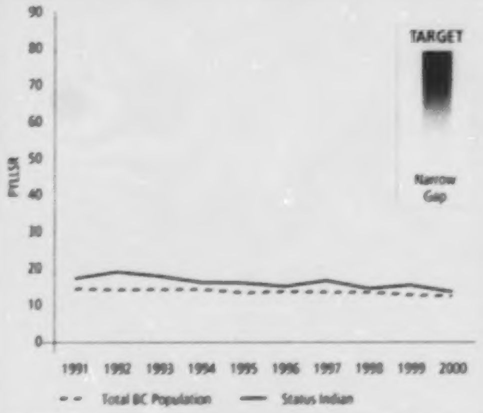


YEAR	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Status Indian Population	23.4	22.7	22.0	18.1	18.3	20.2	20.6	16.2	14.7	13.9
Total BC Population	9.5	9.7	8.9	8.7	8.7	8.7	8.1	7.5	7.1	6.5

Source: BC Vital Statistics Agency (Status Indian info);
BC Stats (BC population)

Note: Potential Years of Life Lost Rate (PYLLSR) per 1,000 Standard population (Canada Census 1991)

POTENTIAL YEARS OF LIFE LOST DUE TO CANCER BRITISH COLUMBIA STATUS INDIAN POPULATION, 1991 — 2000 AGE STANDARDIZATION

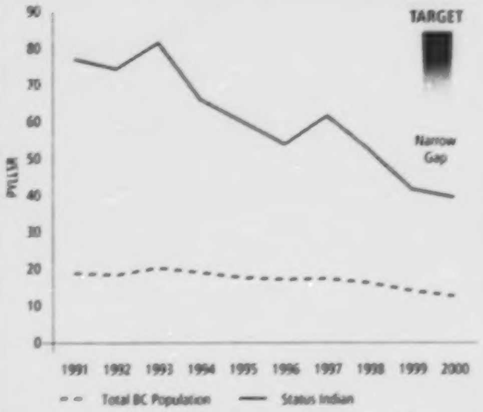


YEAR	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Status Indian Population	17.4	19.2	18.1	16.3	16.2	15.2	16.8	14.6	15.6	13.7
Total BC Population	14.6	14.2	14.4	14.4	13.5	13.8	13.7	13.6	12.9	12.5

Source: BC Vital Statistics Agency (Status Indian info);
BC Stats (BC population)

Note: Potential Years of Life Lost Rate (PYLLSR) per 1,000 Standard population (Canada Census 1991)

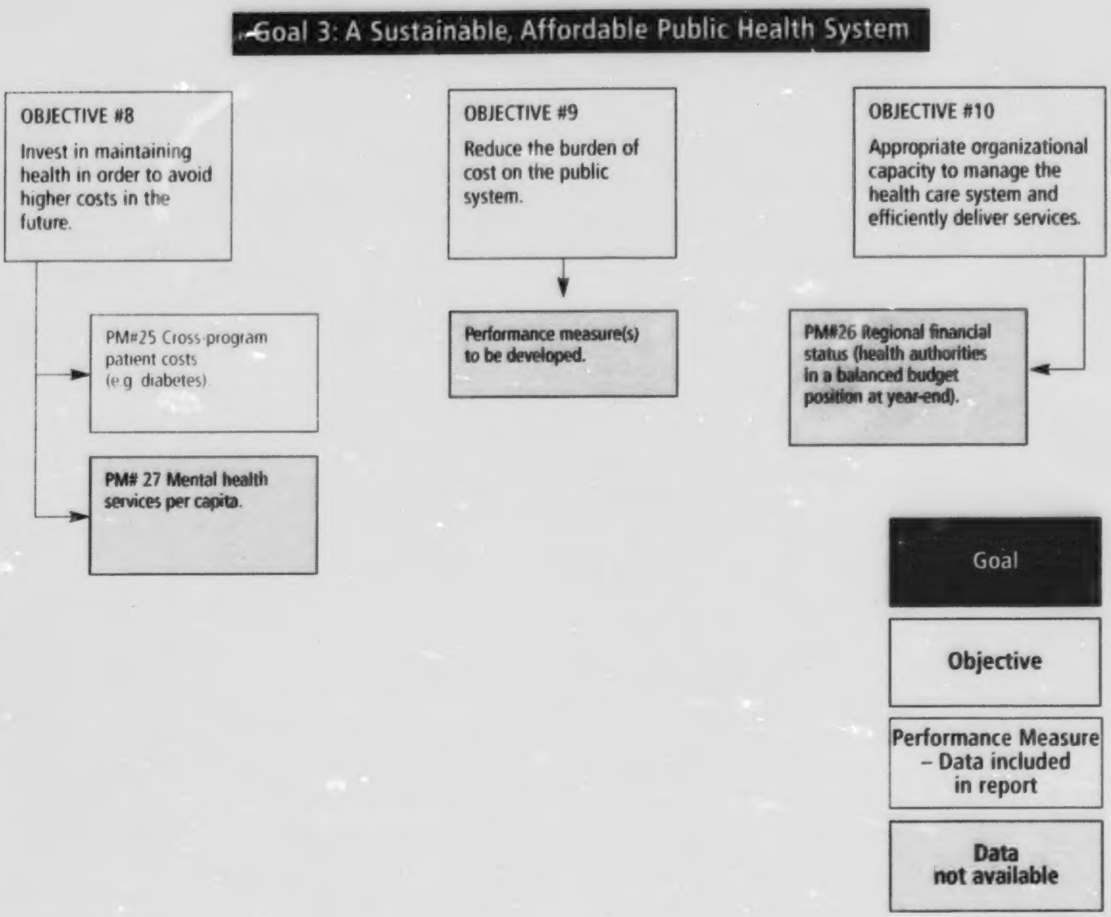
POTENTIAL YEARS OF LIFE LOST DUE TO EXTERNAL CAUSES (V01-Y98), BRITISH COLUMBIA STATUS INDIAN POPULATION, 1991 — 2000



YEAR	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Status Indian Population	77.2	74.5	81.6	66.2	60.2	54.0	61.7	52.5	41.8	39.6
Total BC Population	19.0	18.6	20.5	19.2	17.8	17.3	17.4	16.3	14.2	12.8

Source: BC Vital Statistics Agency (Status Indian info);
BC Stats (BC population)

Note: Potential Years of Life Lost Rate (PYLLSR) per 1,000 Standard population (Canada Census 1991) improvements seen for external causes. This pattern holds true for both the general population and the status Indian population; however, the premature mortality rate for the status Indian population was more than four times greater than the general population for external causes and double that of the general population for cardiovascular diseases. Status Indian premature mortality rates from cancers were marginally higher than those of the general population over the time period.



Goal 3: A Sustainable, Affordable Public Health System

OBJECTIVE #8

Invest in maintaining health in order to avoid higher costs in the future.

PM#25 Cross-program patient costs (e.g. diabetes).

PM# 27 Mental health services per capita.

OBJECTIVE #9

Reduce the burden of cost on the public system.

Performance measure(s) to be developed.

OBJECTIVE #10

Appropriate organizational capacity to manage the health care system and efficiently deliver services.

PM#26 Regional financial status (health authorities in a balanced budget position at year-end).

Goal

Objective

Performance Measure – Data included in report

Data not available

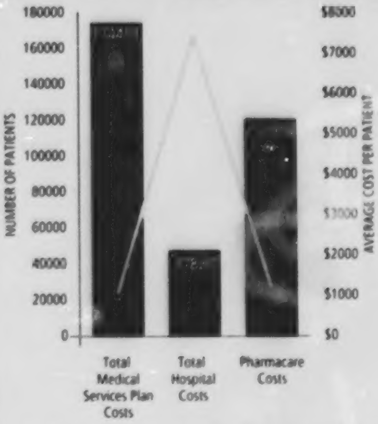
PM#25 – Cross-program patient costs

This indicator measures the average health care cost per patients with diabetes. Diabetes is a chronic disease that affects about five per cent of Canadians. Its prevalence is expected to increase significantly due to an aging population and increased rates of obesity. Efforts to control hyperglycemia, hypertension and dyslipidemia can prevent or postpone the development of complications in persons with diabetes. The B.C. diabetes guidelines, which have been adopted and shared with physicians and patients, outline strategies to help the primary care practitioner meet the complex needs of persons with diabetes.

It is anticipated that adherence to the guideline will result in better patient care and, eventually, lower per-patient cost. Therefore, this indicator helps to measure the cost-efficiency of standardized practices of care.

Data for 2001/02 reveal that total health costs (MSP, Hospital and Pharmacare costs not limited to diabetes-related treatment) for the 174,453 patients on the Diabetes Registry amounted to $683,921,627. The following table shows how these costs were distributed.

PAID AMOUNTS ASSOCIATED WITH DIABETES REGISTRY PATIENTS FOR 2001/02



TARGET

Targets under Construction

PAID AMOUNTS ASSOCIATED WITH DIABETES REGISTRY PATIENTS FOR 2001/02

	Number of Patients	Total Costs	Average Cost Per Patient
Medical Services Plan	174,453	$183,842,940	$1,054
Hospital	47,820	$254,169,168	$7,406
Pharmacare	120,914	$145,909,519	$1,207

Source: MSP Economic Analysis Branch, Pharmcare, Standards and Performance Development, Population Health Surveillance and Epidemiology Branch

Notes:
1. The analysis was based on individuals who:
   a) received 2+ physician services (on different dates) paid by MSP within 365 days coded 250 (diabetes mellitus) since 1991; or
   b) had 1+ hospital discharges coded 250 since 1991, or
   c) received insulin, oral hypoglycaemics, or testing strips paid for in part by Pharmacare since 1991; and
   d) received one or more MSP-paid service in 2001/02 fiscal year
2. MSP cost is the total amount paid for MSP services to individuals on the diabetes registry who received at least one or more MSP-paid services in 2001/02. It excludes ICBC, reciprocal, and out-of-province claims. It includes services paid to May 15, 2002.
3. Hospital costs consist of all acute, rehabilitation, and day care separations for the relevant Diabetes Registry patients (see note 2). Costs are based upon a $3500/RIW (resource intensity weight)
4. Pharmacare costs include all non-hospital prescription activity paid for by Pharmacare for the relevant Diabetes Registry patients.

REPORT ON RESOURCES

MINISTRY OF HEALTH SERVICES 2001/02 RESOURCE SUMMARY

(Note 1)

	ESTIMATED	OTHER AUTHORIZATIONS	TOTAL	ACTUAL	VARIANCE	NOTE
OPERATING EXPENSES ($000)						
REGIONAL PROGRAMS						
Adult Mental Health	405,630		405,630	391,835	13,795	2
Public and Preventive Health	356,131		356,131	340,731	15,400	2
Acute and Continuing Care	5,182,618		5,182,618	5,331,619	(149,001)	2
Subtotal	5,944,379	–	5,944,379	6,064,185	(119,806)	2
Emergency Health	181,036		181,036	182,087	(1,051)	3
Medical Services Plan	2,262,488	230,000	2,492,488	2,366,676	125,812	4, 5
Pharmacare	719,150		719,150	716,984	2,166	6
CORPORATE SERVICES						
Information Management Group	55,853		55,853	57,992	(2,139)	
Corporate Programs	7,907		7,907	7,670	237	
Strategic Programs	40,776		40,776	37,183	3,593	
Other Corporate Services	4,466		4,466	1,615	2,851	
Subtotal	109,002	–	109,002	104,460	4,542	7
Other	297,258	1	297,259	280,316	16,943	8
Total	9,513,313	230,001	9,743,314	9,714,708	28,606	9
FULL-TIME EQUIVALENTS (FTES)						
Total	3,533	–	3,533	3,415	118	10
MINISTRY CAPITAL EXPENDITURES ($000)						
Information Systems	15,724		15,724	10,464	5,260	11
Specialized Equipment	3,510		3,510	2,111	1,399	
Vehicles	6,650		6,650	6,870	(220)	
Office Furniture and Equipment	620		620	176	444	
Total	26,504	–	26,504	19,621	6,883	
CONSOLIDATED CAPITAL PLAN EXPENDITURES ($000)						
Health Facilities Projects and Equipment	274,000		274,000	168,550	105,450	12
Total	274,000	–	274,000	168,550	105,450	
OTHER FINANCING TRANSACTIONS (NET DISBURSEMENTS) ($000)						
Health Innovation Incentive Program	5,624		5,624	2,079	3,545	13
Total	5,624	–	5,624	2,079	3,545	

Notes

1) Estimated budget, other authorizations and actual amounts for 2001/02 as per draft Public Accounts. Figures are unaudited.
2) Regional Programs - Overexpenditure due to one-time funding provided to health authorities to offset their projected deficits for 2001/02, partially offset by one-time savings in other areas.
3) Emergency Health Services - Overexpenditure due to call volume increases.
4) Medical Services Plan - Other authorizations amount represents the additional funding obtained through Supplementary Estimates for the costs associated with the interim physician arbitration award.
5) Medical Services Plan - Underexpenditures in various areas, including primary care, rural health and alternative payments, and savings associated with deinsurance of supplementary benefits.
6) Pharmacare - Minor one-time savings in Seniors Plan.
7) Corporate Services - Underexpenditure primarily due to recruitment lag and other one-time savings.
8) Other includes: Amortization of Prepaid Capital Advances, Debt Service Costs, Vital Statistics, Minister's Office and Special Accounts, as well as statutory spending for collection agency commissions, offset by additional authorizations. Surplus due to stronger than expected sinking fund earnings, which reduced debt service costs.
9) The structure of the health ministries has changed significantly since the 2001/02 budget was tabled in the Legislative Assembly on July 30, 2001. By necessity, the public accounts reflect the results of operations against the budget approved by the Legislative Assembly for 2001/02, and these figures are reflected in the ministries' annual reports for the year. For the 2002/03 fiscal year, the budget reflects the new organizational structure and mandate.
10) FTEs - underutilization due to recruitment lag.
11) Ministry Capital Expenditures - Underspending due to lower than budgeted capital spending in 2001/02 in general, for information systems, deferral or cancellation of systems capital projects resulting from changes in focus and business priorities.
12) Consolidated Capital Plan Expenditures - variance due to lower than budgeted capital spending in 2001/02, resulting from ministry and health authority review of capital projects for affordability and priority in regard to health authority restructuring.
13) Health Innovation Incentive Program - variance due to reduced utilization of program in 2001/02.

REVENUES

ACTUAL VERSUS ESTIMATED GROSS REVENUES

	2001/02	
	Estimated Revenue	Actual Revenue
Medical Services Plan	$903,661,000	$955,761,000
BC Ambulance Services	$24,334,000	$25,992,000
Vital Statistics Agency	$10,133,000	$9,929,000
Other	$43,509,000	$55,125,000
Total	$981,637,000	$1,046,807,000

MSP Premiums Receivable – Turnover and Days Billing Uncollected

Accounts receivable turnover is one indication of the timeliness of collection. Accounts receivable turnover for MSP Premiums was 6.44 times for fiscal year 2001/02. 8.78 times for fiscal year 2000/01. 10.4 times for fiscal year 1999/00: 11.6 times for fiscal 1998/99.

Days billings uncollected is another indication of the speed of collecting accounts receivable. 2001/02 – 57 days. 2000/01 – 42 days. 1999/00 – 35 days.

*Collections and Credit Adjustments include Premiums paid and adjustments that reduce indebtedness.

MEDICAL SERVICES PLAN

Collection of Overdue MSP Premiums Receivable

FISCAL YEAR	TOTAL REVENUE	COLLECTIONS NOTICES	COLLECTIONS AND CREDIT ADJUSTMENTS*
2001/02	$955,761,000	$87,939,297	$47,204,936[1,2]
2000/01	895,601,000	41,349,948	64,095,630[1]
1999/00	868,263,000	48,760,327	82,900,912
1998/99	876,047,000	60,495,000	44,242,000
1997/98	881,826,000	54,384,000	33,652,000

Aging of MSP Premiums Receivable

FISCAL YEAR	TOTAL	CURRENT	30-60 DAYS	60-90 DAYS	OVER 90 DAYS
March 31, 2002	$148,458,499	$20,411,685	$16,700,625	$4,427,883	$106,918,306
March 31, 2001	101,978,114[2,5]	29,314,594	9,651,327	3,428,428	59,583,765
March 31, 2000	83,159,816[5]	27,728,253	7,045,567	3,482,546	44,903,450
March 31, 1999	75,680,927[5]	12,161,511	7,454,562	2,725,694	53,339,160
March 31, 1998	54,246,519[5]	13,015,195	9,187,698	1,679,532	30,364,094

Notes:

1 Private collection agencies were used as of January 2001 to July 2001 for premiums and from April 2001 to September 2001 for ambulance fees.

2 The Ministry has recognized the increase in accounts receivable for 2000/01 and has introduced payment plans. The Collection and Loans Management Branch became the Ministry collection agency in July 2001 for premiums and October 2001 for ambulance fees.

3 Restated balance from 1999/00.

4 Value of current outstanding accounts receivable and total accounts receivable are as a result of the paramedic job action which resulted in a delay for producing and mailing billing statements.

5 Total Premiums Receivable have been adjusted to include post closing entries.

BC AMBULANCE SERVICES

Collection of Overdue Ambulance Service Fees

FISCAL YEAR	TOTAL REVENUE	COLLECTIONS NOTICES
2001/02	$25,992,000	15,206,168
2000/01	22,195,281	11,712,737
1999/00	24,372,818	10,272,287
1998/99	23,496,000	13,349,000
1997/98	22,445,000	9,542,000

Aging of Ambulance Fees Receivable

FISCAL YEAR	TOTAL	CURRENT	30-60 DAYS	60-90 DAYS	OVER 90 DAYS
March 31, 2002	$26,021,489[4]	$11,285,126	$756,255	$657,635	$13,322,473
March 31, 2001	22,346,391[3]	10,387,579[4]	855,755	327,171	10,775,886
March 31, 2000	11,047,934	1,796,950	913,085	386,409	7,951,490
March 31, 1999	9,488,913	1,265,355	408,006	308,543	7,507,009
March 31, 1998	10,344,927	2,575,413	954,471	380,966	6,434,077

Ambulance Service Fees Receivable – Turnover and Days Billings Uncollected

Accounts receivable turnover is one indication of the timeliness of collection. Accounts receivable turnover for Ambulance Service Fees Receivable was 1.0 times for fiscal year 2001/02, 1.0 times for fiscal year 2000/01, and 2.2 times for fiscal year 1999/00. Accounts receivable turnover for 2000/01 and 2001/02 is low as a direct result of delays in producing and mailing billing statements due to paramedic job action.

Days billings uncollected is another indication of the speed of collecting accounts receivable: 2001/02 – 365 days, 2000/01 – 365 days, 1999/00 – 166 days.

Collection Program Costs

	2001/02	2000/01	1999/00	1998/99
Collection Dept Costs	$700,000	$750,000	$750,000	$750,000
Collection & Loan Management Branch[2]	828,535	205,000	155,000	175,758
Collection Agency Commissions[1]	417,836	910,056	499,666	235,164
Total Collection Costs	$1,946,371	$1,865,056	$1,404,666	$1,160,922

Notes:

1. Private collection agencies were used as of January 2001 to July 2001 for premiums and from April 2001 to September 2001 for ambulance fees.
2. The Ministry has recognized the increase in accounts receivable for 2000/01 and has introduced payment plans. The Collection and Loans Management Branch became the Ministry collection agency in July 2001 for premiums and October 2001 for ambulance fees.
3. Restated balance from 1999/00.
4. Value of current outstanding accounts receivable and total accounts receivable are as a result of the paramedic job action which resulted in a delay for producing and mailing billing statements.
5. Total Premiums Receivable have been adjusted to include post closing entries.

CAPITAL PROJECTS

A wide range of capital construction projects was undertaken to provide new and improved health care facilities for British Columbians. Major projects undertaken by the health authorities in 2001/02 included:

FRASER HEALTH AUTHORITY

Funding of $210 million was approved for the Fraser Valley Health Centre and the Eastern Fraser Valley Cancer Centre. In August 2001 the Fraser Health Authority and the Provincial Health Services Authority initiated a review of the Business Case to examine the possibilities for increased participation of the private sector in the design, development and operations of the new facilities.

The $1.5 million 16 bed hospice at St. Michael's Hospital in Burnaby completed in March 2002.

VANCOUVER COASTAL HEALTH AUTHORITY

Work is continuing on the $156.4 million Vancouver General Hospital redevelopment project with construction starting on floors 4 to16 of the Nursing Tower. Three of the fifteen components of the project completed in 2001. The components included an interim boiler upgrade, an elevator to the heliport and HVAC upgrade.

The $14.7 million SUCCESS Care Home opened in October 2001. The new facility has 103 multi-level care beds.

PROVINCIAL HEALTH SERVICES AUTHORITY

Construction completed on the new $22.3 million Ambulatory Care Building and Emergency Expansion at B.C. Children's Hospital in March 2002. The new unit is designed to meet the increasing demand for clinic and day surgery services. The five-story building will provide more patient and family amenities such as breastfeeding rooms, quiet rooms, change rooms and expanded waiting rooms with play areas.

Connolly Lodge, a 20 bed mental health residential care facility on the Riverview site, opened in March 2002. The $1.6 million facility will provide 24-hour supervised care to clients who can benefit from greater independence and do not require hospitalization.

INTERIOR HEALTH AUTHORITY

The $1.6 million 10 bed multi-level care addition at the Royal Victoria Hospital in Kaslo completed in July 2001.

The new $6.6 million South Similkameen Health Centre & 25 bed multi-level care facility opened in Keremeos in 2001.

NORTHERN HEALTH AUTHORITY

The $6.3 million infrastructure upgrade at Fort St. John Hospital completed in January 2002.

The $38.3 million Kitimat Hospital and Health Care Centre completed in March 2002. The new facility includes 22 acute care beds, maternity, day surgery, ambulatory care, diagnostic imaging, laboratory, pharmacy, rehabilitation, community health services, adult day centre and administrative support.

The new multi-level care building will include an Adult Day Care component and 36 multi-level beds.

Construction of the Detox-Assessment and Treatment Centre for Women and Children in Prince George completed in September 2001. The new $4.5 million centre includes three separate areas for women, youth and women with children.

Iris House, the new specialized mental health facility on the grounds of Prince George Regional Hospital, completed in March 2002. The $1.3 million 10-bed home-like facility will help house and care for people with serious or persistent mental illness, providing assessment, treatment and rehabilitation.

Construction continues on the $50 million phase one of the expansion and redevelopment at the Prince George Regional Hospital. This major project includes a four-story medical surgical tower, additional new out-patient services and an upgraded emergency department.

VANCOUVER ISLAND HEALTH AUTHORITY

A new $1.5 million Canadian Red Cross Outpost Hospital in Bamfield completed construction in November 2001.

The new $6.2 million Cormorant Island Health Centre in Alert Bay opened in March 2002. The new hospital replaced St. George's Hospital and will provide acute-care, multi-level care, diagnostic and treatment facilities, community health programs and support services.

Yuculta Lodge in Campbell River opened in October 2001. The $10.9 multi-level care facility has 100 new beds.

The $37.9 million West Coast General Hospital and $4.3 million multi-level care facility completed in August 2001. The new acute care facility replaces the hospital built in the early 1950's. The multi-level care facility has 32 beds.

The $116 million diagnostic and treatment redevelopment project at Royal Jubilee Hospital in Victoria completed in March 2002. The diagnostic and treatment centre includes diagnostic imaging, laboratory, pharmacy, cardiology, emergency, intensive care and coronary care unit.

Construction is continuing on the $31.1 million Mount Saint Mary's 200 bed multi-level care facility in Victoria.

Equipment

Capital and operating funding of $63 million was approved to help hospitals buy diagnostic equipment such as CT scanners, modern clinical equipment for operating rooms and labs, and new beds and lifts to prevent injuries to health care workers.

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APPENDIX 1 – ACTS UNDER THE JURISDICTION OF THE MINISTER OF HEALTH SERVICES

Access to Abortion Services Act

Anatomy Act

BC Benefits (Income Assistance), insofar as it authorizes the Healthy Kids Orthodontia Program

Community Care Facility Act

Continuing Care Act

Drinking Water Protection Act

Forensic Psychiatry Act

Health Act, except ss. 2 to 7

Health and Social Services Delivery Improvement Act, except Part 3

Health Authorities Act

Health Care (Consent) & Care Facility (Admission) Act

Health Emergency Act, except ss. 6 – 9, 14 (2)(a) and (b)

Health Special Account Act

Hospital Act

Hospital District Act

Hospital Insurance Act

Human Tissue Gift Act

Meat Inspection Act

Medicare Protection Act, except ss. 3 – 6

Mental Health Act

Milk Industry Act, s. 12, except in respect of tank milk receiver licences

Ministry of Health Act

Pharmacists, Pharmacy Operations and Drug Scheduling Act, ss. 37 – 39

Public Toilet Act

Venereal Disease Act

APPENDIX 2 – 2001/02 LEGISLATIVE CHANGES

Four Acts, three administered by the Ministry of Health Services and one administered by the Ministry of Health Planning, were amended or enacted during the 2nd and 3rd Legislative Sessions of the 37th Parliament in 2001 and the first quarter of 2002.

Ministry of Health Services

HEALTH AUTHORITIES AMENDMENT ACT (NO. 2), 2001

(BILL 9, 2nd Session)

This Bill repealed provisions of the *Health Authorities Act* and the *Expropriation Act* that allowed for the mandatory amalgamation of a private corporation with a health authority without compensation.

HEALTH AND SOCIAL SERVICES DELIVERY IMPROVEMENT ACT, 2002

(BILL 29, 2nd Session)

This Bill enabled health employers to deliver cost effective and improved services to the public by

- facilitating implementation of new health authorities restructuring,
- permitting more flexible work arrangements,
- removing excessive layoff and bumping provisions, and
- allowing improved service delivery through open tendering.

MEDICAL SERVICES ARBITRATION ACT, 2002

(BILL 9, 3rd Session)

This Bill cancelled the arbitration between the government and the British Columbia Medical Association and discontinued all further rights and obligations under the arbitration. It also declared as void or amended specific contractual provisions respecting interest arbitration.

Ministry of Health Planning

MISCELLANEOUS STATUTES AMENDMENT ACT, 2001

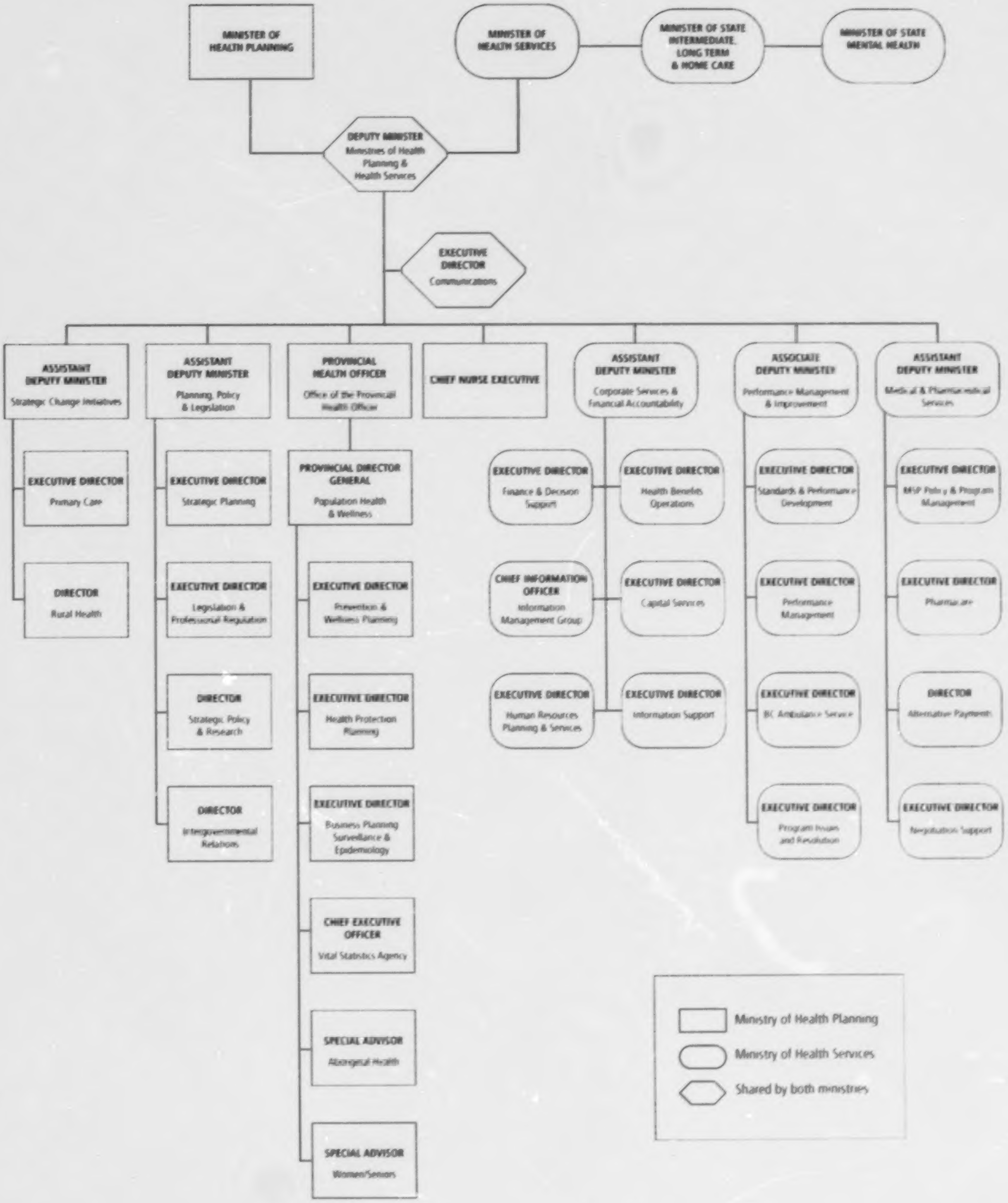
(BILL 11, 2nd Session)

This Bill repealed certain provisions of the *Medical Practitioners Act* pertaining to the practice of complementary medicine by medical practitioners where those provisions:

- restricted the College's ability to evaluate applicants for admission where the applicant supports the use of complementary medicine;
- limited the circumstances in which an investigation committee could be appointed to examine the skills of knowledge or a practitioner;
- restricted the ability of an inquiry committee in a disciplinary matter to make findings with respect to a practitioner who used complementary medicine.

The Bill also amended the Act to provide that the practice of a non-conventional therapy by a member is not by itself a basis for holding that the member is incompetent or guilty of professional misconduct unless it can be shown that the therapy poses a greater risk to patient health or safety than does prevailing medical practice.

APPENDIX 3 – MINISTRY ORGANIZATIONAL CHART FOR MARCH 2002


MINISTER OF HEALTH PLANNING
MINISTER OF HEALTH SERVICES
MINISTER OF STATE INTERMEDIATE, LONG TERM & HOME CARE
MINISTER OF STATE MENTAL HEALTH
DEPUTY MINISTER Ministries of Health Planning & Health Services
EXECUTIVE DIRECTOR Communications
ASSISTANT DEPUTY MINISTER Strategic Change Initiatives
EXECUTIVE DIRECTOR Primary Care
DIRECTOR Rural Health
ASSISTANT DEPUTY MINISTER Planning, Policy & Legislation
EXECUTIVE DIRECTOR Strategic Planning
EXECUTIVE DIRECTOR Legislation & Professional Regulation
DIRECTOR Strategic Policy & Research
DIRECTOR Intergovernmental Relations
PROVINCIAL HEALTH OFFICER Office of the Provincial Health Officer
PROVINCIAL DIRECTOR GENERAL Population Health & Wellness
EXECUTIVE DIRECTOR Prevention & Wellness Planning
EXECUTIVE DIRECTOR Health Protection Planning
EXECUTIVE DIRECTOR Business Planning Surveillance & Epidemiology
CHIEF EXECUTIVE OFFICER Vital Statistics Agency
SPECIAL ADVISOR Aboriginal Health
SPECIAL ADVISOR Women/Seniors
CHIEF NURSE EXECUTIVE
ASSISTANT DEPUTY MINISTER Corporate Services & Financial Accountability
EXECUTIVE DIRECTOR Finance & Decision Support
EXECUTIVE DIRECTOR Health Benefits Operations
CHIEF INFORMATION OFFICER Information Management Group
EXECUTIVE DIRECTOR Capital Services
EXECUTIVE DIRECTOR Human Resources Planning & Services
EXECUTIVE DIRECTOR Information Support
ASSOCIATE DEPUTY MINISTER Performance Management & Improvement
EXECUTIVE DIRECTOR Standards & Performance Development
EXECUTIVE DIRECTOR Performance Management
EXECUTIVE DIRECTOR BC Ambulance Service
EXECUTIVE DIRECTOR Program Issues and Resolution
ASSISTANT DEPUTY MINISTER Medical & Pharmaceutical Services
EXECUTIVE DIRECTOR MSP Policy & Program Management
EXECUTIVE DIRECTOR Pharmacare
DIRECTOR Alternative Payments
EXECUTIVE DIRECTOR Negotiation Support
Ministry of Health Planning
Ministry of Health Services
Shared by both ministries

Ministry of
Human Resources

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

**Ministry of
Human Resources**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Human Resources.
[Annual report (2002)]
Annual Report. — 2001/02 -

Annual.
"A new era update."
Report year ends Mar. 31.
Continues: British Columbia. Ministry of Social Development and Economic Security. Annual performance report.
ISSN 1703-4523 = Annual report - British Columbia. Ministry of Human Resources (2002)

1. British Columbia. Ministry of Human Resources - Periodicals. 2. Public welfare – British Columbia - Periodicals. 3. Human services - British Columbia - Periodicals. I. Title. II. Title: Ministry of Human Resources annual report.

HV109.B7B74 353.5'09711'05 C2002-960152-5

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www.gov.bc.ca

Published by the Ministry of Human Resources

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Human Resources Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Murray Coell

Murray Coell
Minister of Human Resources

June 19, 2002

BRITISH
COLUMBIA

Ministry of Human Resources

It is a pleasure to submit to you the Annual Report for the Ministry of Human Resources for 2001/02 fiscal year.

In June 2001, the former Ministry of Social Development and Economic Security was renamed the Ministry of Human Resources. Responsibility for social housing, homeowner protection, and child care policy was transferred to the new Ministry of Community, Aboriginal and Women's Services. The Ministry of Human Resources continued to provide employment services and income assistance.

During the period of this report, the ministry began a redesign of income assistance in British Columbia, including a significant shift from a culture of entitlement to a culture of employment and self-sufficiency. It laid the groundwork to replace BC Benefits with the BC Employment and Assistance program, aimed at helping more British Columbians leave assistance for employment and lead more independent lives.

I would like to take this opportunity to again express my thanks to ministry employees around the province for their efforts and diligence in moving the ministry in this new direction. I appreciate their ongoing dedication and commitment to excellent service, and I look forward to seeing the results of our hard work in the months and years ahead.

Murray Coell

Murray Coell
Minister

BRITISH COLUMBIA

Ministry of Human Resources

It is an honour to present the annual report of the Ministry of Human Resources for the 2001/02 fiscal year. This report reflects a year of transition for the ministry, including significant changes in government's approach to income assistance and employment programs. As a result of the Core Services Review, the ministry's focus is on five core business areas:

- **Employment programs** to assist clients to find and maintain employment;
- **Temporary assistance** for those capable of financial independence through employment;
- **Continuous assistance** for those not expected to gain independence through employment;
- **Supplementary assistance**, such as health assistance to clients with disabilities, child care subsidies, bus passes and emergency shelters; and
- **Corporate services and service delivery**.

The review also refined the ministry's mandate to assist people into sustainable employment, provide job placement and job training programs that lead to long-term employment, and provide income assistance to those in need.

Based on the outcome of the review, the ministry developed a service plan for the 2002/03 - 2004/05 fiscal years, which laid the groundwork for the new BC Employment and Assistance program and supporting legislation. It also included a new, streamlined appeal process.

In addition, the ministry began a workforce adjustment initiative as part of government's budget reduction commitments. The initiative included a 15 per cent reduction in staff across all ministry programs (459 FTEs) and the closure or amalgamation of 36 ministry offices.

During this time of transition, the ministry continued to serve thousands of clients at locations throughout B.C. It began implementation of the Electronic Service Initiative aimed at using technology to make the ministry more efficient and accessible. The ministry also moved towards a new system of performance-based contracts for more accountable and effective use of public dollars.

R. Ciceri

Robin Ciceri
Deputy Minister

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Year-at-a-Glance Highlights

2001/02 was a year of significant change and major accomplishments for the Ministry of Human Resources (MHR). During the 10 months from June 5, 2001 to March 31, 2002, the ministry underwent a major shift in its vision, mission, principles and goals; developed a new income assistance system for B.C. based on these new principles and goals; and made significant progress on a number of major projects. At the same time, MHR continued to provide quality service to more than 150,000 British Columbia families and individuals in need around the province.

The following are some of MHR's key achievements/events over 2001/02:

- **Core Services Review**: All ministry programs were reviewed and evaluated based on the tests of effectiveness, public interest and affordability through the ministry's Core Services Review.
- **Redefined BC's income assistance system**: MHR completed a major redefinition of B.C.'s income assistance system, and developed a new income assistance program for the province called BC Employment and Assistance.
- **Developed 2002/03 – 2004/05 Service Plan**: MHR released its 2002/03 – 2004/05 Service Plan setting out the ministry's new vision, mission, principles, goals and objectives and performance measures for assessing its success in achieving those goals.
- **Developed and implemented Electronic Services Initiative project**: MHR began implementation of the Electronic Services Initiative project as part of its commitment to use information technology to provide better public access to programs and services.
- **Introduced Alternative Service Delivery project**: MHR began work on the strategy phase of an Alternative Service Delivery project to explore new ways to deliver ministry services more efficiently and effectively.
- **Initiated redesign of appeal system**: Following direction from the Premier, the ministry undertook to develop a single, streamlined appeal process for income assistance clients.

Ministry Role and Services

Programs and Services

The following are the programs and services provided by the Ministry of Human Resources in 2001/02. These have been grouped by the core businesses outlined in the ministry's 2002/03 – 2004/05 Service Plan.

MINISTRY OF HUMAN RESOURCES

Employment Programs

- Vocational Rehabilitation Services*
- Work Connections*
- Employability Programs*
- Self-Employment Training*
- Workplace-Based Training Programs*
- Job Start*
- Jobs Partnership Program*

Income Support (Temporary and Continuous Assistance)

- Income Assistance (Support and Shelter)*
- Youth Allowance*
- Disability Benefits*
- Child in the Home of a Relative*
- Hardship Assistance*
- Crisis Assistance*
- Support Work Entry*
- Comforts and Clothing Assistance
- Other Assistance*
- Seniors Supplement

Supplementary Assistance

- Health Care and Dental Services
  - Healthy Kids
  - Medical Equipment and Supplies*
  - Dental and Optical care*
  - Diet Allowance*
  - Homemaker Services*
- Community Support Services
  - Community Services Fund*
  - Hostels and Emergency Shelters
  - Emergency Social Services
  - Bus Pass Program

Corporate Services and Service Delivery

- Regional Services
- Employee Services
- Financial and Administrative Services
- Information Management Services
- Policy and Research
- Prevention, Compliance and Enforcement
- Child Care Subsidy*
- Service Quality
- Intergovernmental Relations
- Communications
- Office for Disability Issues*

***Significantly redesigned through the ministry's Core Services Review**

Strategic Shifts

Core Services Review

All ministry programs were reviewed and evaluated based on the tests of effectiveness, public interest and affordability between July 2001 and October 2001. Programs and services were also assessed, keeping in mind the appropriate role of government in the economy and in the lives of British Columbians.

The review identified a number of immediate concerns with the current income assistance system including the following:

- Almost 6 per cent of the B.C. population receives income assistance.
- Almost 40 per cent of all single parents in the province receive income assistance.
- People are cycling on and off the caseload. The majority of income assistance clients leave the caseload within six months; however, two-thirds of those who leave return within two years.
- People are dependent on income assistance over the long-term. More than 70 per cent of income assistance clients older than age 35 have an income assistance history longer than 10 years.
- Persons with disabilities who want to and are able to work are not getting the supports they need to get and maintain employment.
- Current training programs do not always lead directly to jobs.

It showed clearly that the BC Benefits form of income support is unsustainable, both in terms of the economy and the social costs to the province.

During Phase One of the Core Review, the Core Review Task Force approved a new mandate for the Ministry of Human Resources: to assist people into employment, provide job placement and job training programs that lead to sustainable employment, and provide income assistance to those truly in need.

During Phase Two, the Ministry of Human Resources received approval to redefine income assistance in British Columbia with a primary focus on building a culture of employment and self-sufficiency while continuing to provide a safety net for those who are not able to gain independence through employment.

BC Employment and Assistance

From October 2001 to the end of March 2002, the Ministry of Human Resources laid the groundwork for a new income assistance system that supports individuals and families in achieving their social and economic potential. This new approach emphasizes self-reliance and participation, and recognizes that many of the people the ministry serves are a resource who, with assistance, can move into sustainable employment.

On January 17, 2002, MHR released its summary service plan for fiscal years 2002/03 to 2004/05 which outlined B.C.'s new income assistance program, BC Employment and Assistance (BCEA), to be introduced in 2002/03. Further information about this new program and its goals, objectives, performance measures and summary expenditure were presented in the ministry's 2002/2003 - 2004/2005 Service Plan, released in February 2002.

Principles

BCEA is based on a set of guiding principles that reflect the government of British Columbia's core values of integrity, fiscal responsibility, accountability, respect, and choice.

These new guiding principles are:

- **Personal responsibility** for maximizing potential
- **Active participation** by clients
- **Innovative partnerships** between the ministry and the private sector and communities
- **Citizen confidence** in the income assistance system
- **Fairness and transparency**, with less red tape
- **Clear outcomes**, whereby the ministry measures success by the success of the people being served
- **Accountability for results** achieved

Core Businesses

BCEA includes the following five core business areas:

Employment Programs
Employment services will assist clients to find and maintain employment. These will include programs that support persons with disabilities.

Temporary Assistance
Temporary Assistance will be available to eligible individuals who are capable of financial independence through employment. Some persons with disabilities may be eligible to receive Temporary Assistance and will be expected to work. Those unable to work because of a short-term medical condition, because they are a single parent caring for a young child, or because they are caring for a family member with a disability may be temporarily excused from seeking employment.

Continuous Assistance
Continuous Assistance will be available to eligible individuals who are not expected to gain independence through employment to ensure these individuals get the ongoing support they need. This will include persons with severe disabilities and those with persistent multiple barriers to employment.

Supplementary Assistance
Supplementary Assistance will provide health assistance to clients with disabilities and other eligible clients. Other programs and services include emergency social services, child care subsidies, bus passes, hostels and emergency shelters, and user fees for continuing care and for alcohol and drug facilities.

Corporate Services and Service Delivery
This core business will provide for executive direction and direct operating costs of delivering BC Employment and Assistance, for research and performance measurement, employee services, financial services, information technology and information management.

Major Changes

The following are some of the major legislative, policy and program changes being introduced under BC's new income assistance system:

- The *BC Benefits (Income Assistance) Act*, the *Disability Benefits Program Act*, the *BC Benefits (Youth Works) Act* and the *BC Benefits (Appeals) Act* are being amalgamated into two new acts: the *Employment and Assistance Act* and the *Employment and Assistance for Persons with Disabilities Act*.
- Most clients will have an employment plan setting out the actions they will be taking to gain financial independence through employment. An employment plan may include activities such as employment search, job placement program or specific training for employment.
- Persons with disabilities will be offered supports to assist them into employment including job placement and training for jobs programs specially designed to meet their needs.
- There will be a new, stronger emphasis on work search prior to receiving assistance. BCEA applicants will be required to conduct an employment search before their application interview.
- The existing multi-level BC Benefits Tribunal and Appeal Board will be replaced with an independent, streamlined appeal system. The Employment and Assistance Appeal Tribunal will consist of regional tribunal panels which will result in timely and transparent decision making.

Update on *New Era* Commitments

In his June 25, 2001 letter to Minister of Human Resources Murray Coell, Premier Gordon Campbell identified three key projects for this ministry:

1. Continue to streamline regional service delivery to clients of income assistance.
2. Implement training and support programs to assist income assistance clients in returning to the workforce.
3. With the Administrative Justice Project, develop a single internal appeal process.

During 2001/02, MHR made significant progress on all three key projects.

1. Streamline regional service delivery

In keeping with its commitment to more efficient and effective service delivery, MHR continued to move forward on several initiatives aimed at streamlining regional service delivery and began work on other initiatives.

- Implementation of MHR's ***Electronic Service Initiative*** project got underway in October 2001. The ESI project is part of the ministry's commitment to use information technology to provide better public access to programs and services. These new ESI services will mean citizens can access ministry information on programs 24 hours a day, 7 days a week. Clients will also have the opportunity to interact with that information to determine their eligibility for ministry programs, and in select circumstances, to retrieve personal information. These new services will be in operation by July 2002.
- MHR began work on the strategy phase of an ***Alternative Service Delivery*** project to explore new ways to deliver ministry services more efficiently, effectively and at less cost to the taxpayer. This phase of the project is expected to be completed in June 2002. Later phases will focus on implementing a new service delivery model for the ministry. It is anticipated that it will take three years to complete all the phases of this project.
- In keeping with the government's commitment to providing responsible, manageable, accountable public services, MHR began research into the design of a ***performance-based contracting framework*** that will tie payment to results. For example, as a condition of payment, employment services providers will be required to demonstrate to the ministry that their programs are successful in moving clients off income assistance and into sustainable employment.

2. Implement training and support programs to assist people to get jobs

MHR began work on the development of an ***Employment Strategy for Persons with Disabilities*** in 2001/02. The strategy, which builds on partnerships and engages the community, the private sector and other ministries, is part of the ministry's commitment to promote self-reliance and independence for persons with disabilities. Persons with disabilities who can work will have access to a continuum of services that will help them prepare for employment. This will include access to both mainstream employment programs, as well as specialized programs designed to meet their specific needs. Supports and services will also be available to clients who are not expected to achieve independence through employment to encourage them to work part-time or participate in volunteer activities in their communities.

In addition, the ministry continued to refine job placement and training programs for clients in 2001/02.

- ***Job Placement Program,*** scheduled for implementation in July 2002, focuses on placing people in jobs and supporting them in that employment for up to 19 months. This modified job placement program will build on the work accomplished by the Jobs Partnership Program.
- ***Training for Jobs*** is a new pilot program scheduled to begin in the fall 2002. Service providers will work with employers to determine their skills requirements, provide focused job skills training to program participants for up to 12 months, and then assist the participants to find employment.

3. Develop a streamlined appeal process

As part of the Core Services Review, and in conjunction with the Administrative Justice Project, the ministry is reviewing its appeal system. Following direction from the Premier, the ministry undertook to develop a ***streamlined appeal process*** for income assistance clients. The new, streamlined appeal system will be implemented when the new *Employment and Assistance Act* and *Employment and Assistance for Persons with Disabilities Act* come into force.

The current multi-level appeal process will be replaced by an independent, more effective and streamlined appeal system. Clients who disagree with a local office decision can ask for a reconsideration of that decision. If clients still disagree, they can appeal through the Employment and Assistance Appeal Tribunal. Regional appeal panels will be selected by the new Employment and Assistance Appeal Tribunal chair who is appointed by the Lieutenant-Governor. These changes to the appeal system will reduce the time it takes for a decision to be finalized.

Performance Reporting

Context

2001/02 was a year of transition for the Ministry of Human Resources during which the ministry moved toward the implementation of a new income assistance system based on new guiding principles, with new goals and objectives. The performance measures set out in this annual report reflect that transition. This report assesses the ministry's performance in 2001/02 against the refined goals that were developed through the Core Services Review.

The performance measures in this report are designed to provide a bridge from the ministry's 2001 Performance Plan to the performance measures in the MHR 2002/03 - 2004/05 Service Plan that will form the basis for ongoing performance reporting by the ministry.

They were chosen because they are key indicators of how the ministry performed in 2001/02 in each of its core business areas, they measure outcomes that are of particular interest to the public and they are based on data available for 2001/02. In most cases, however, it is recognized they are only partial measures of the desired outcomes.

In keeping with the Ministry of Human Resources' commitment to accountability, staff is continuing to develop and refine MHR's performance measures to provide a more complete and meaningful picture of the ministry's performance.

In particular, the ministry is currently working on methods to track longer-term outcomes of programs and policies. For example:

- Are employment programs helping to connect people to sustained employment?
- Are families better off (i.e., do they have more income) once they leave income assistance?

In doing so, the ministry will be paying close attention to the factors that directly affect British Columbians' need for income assistance, now and in the future, and how that assistance is provided.

Recognizing these factors will result in a more accountable and effective income assistance system.

Some factors that affect British Columbians' need for income assistance

Changes to the labour market

As a result of demographic and other changes, B.C. is facing upcoming labour shortages in key sectors.

According to one of Canada's major economic forecasting firms, employment in this country will jump by about 250,000 jobs over the next 24 months as Canada's re-igniting economy gains strength.

At the same time, demographic changes due to an aging population will result in a projected need for 689,000 new and replacement workers in British Columbia by the year 2008 as older workers retire.

Taken together, these dramatic shifts will result in an increased demand for workers in this province — an increase that simple population gains through in-migration from other provinces and immigration will fail to cover.

Right now, almost 6 per cent of the population of the province, or about 240,000 British Columbians, are receiving income assistance. Almost two-thirds of adults receiving income assistance are able to work. This represents a significant pool of potential workers that can be instrumental in building a strong and vital economy. With training and support, income assistance clients can be a valuable resource for employers looking for workers to fill vacancies.

Long-term dependency

Under the current income assistance system, two-thirds of the people who leave B.C.'s income assistance caseload return within two years; more than 70 per cent of income assistance clients over the age of 35 have been dependent on welfare for more than 10 years.

Studies show that sustained income assistance dependency leads to long-term negative consequences for clients and their families. The consequences can be particularly dire for children. Approximately 84,000 children in British Columbia come from families who are dependent on income assistance. Ministry research shows that children from income-assisted families are twice as likely to drop out of school as children from non income-assisted families. In addition, children from income-assisted families are more likely to need income assistance themselves as adults. That likelihood increases the longer families remain on the caseload.

An important focus of BC Employment and Assistance will be to break the cycle-on cycle-off pattern that is characteristic of the present income assistance system by assisting people to move into sustained employment and build better lives for themselves and their children.

The Measures

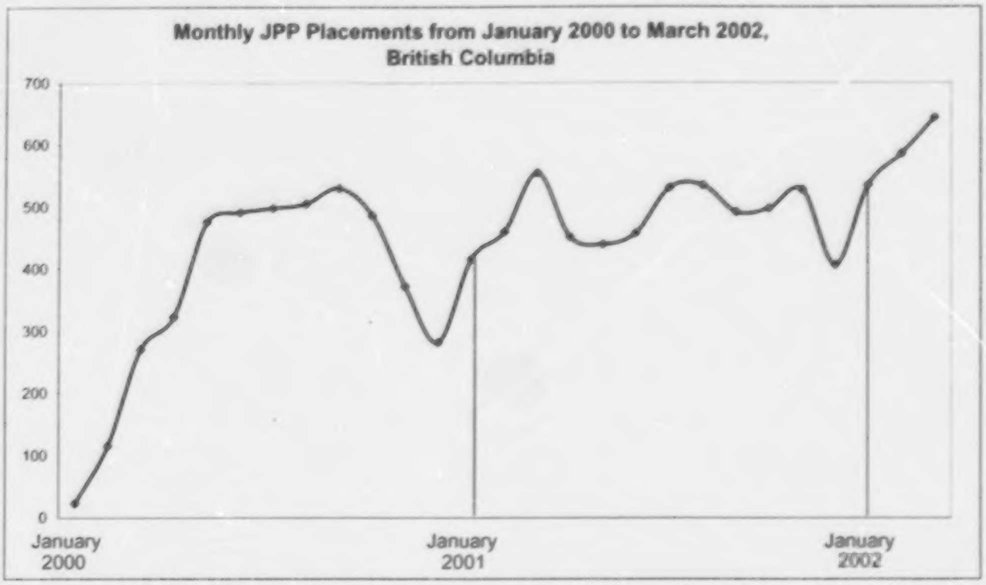
GOAL 1: Income assistance clients achieve independence through sustained employment

Desired Output/ Outcome	Performance Measure	2001 Target	Result
Clients leave income assistance for employment	Number of Jobs Partnership Program (JPP) participants placed in employment	Place 7,000 JPP participants in employment	9,334 JPP participants were placed in employment in 2001.

Reason for the measure: Supporting employable clients to leave income assistance and become independent through sustained employment is an important part of the ministry's mandate. This measure helps to gauge the ministry's success in placing clients in jobs.

Assessment of measure:
Strengths: This measure provides information on the number of clients who participate in the Jobs Partnership Program pilot. It is reliable, accurate, comparable and based on information that is readily available to the ministry. It measures the impact of the ministry's activities.
Future developments: Part of the desired outcome is tracked through this measure. Not all clients participate in JPP and some participate in other programs which help them find sustained employment. Complementary data on clients who do not participate in JPP will be collected through follow-up techniques that are currently being developed.

Comments: The JPP pilot demonstrated success in assisting clients to find sustainable employment quickly. JPP has been reviewed and findings from that review are being used to develop a Job Placement program that will build on the pilot's success. This modified program is scheduled to be introduced in July 2002. The trend data available indicate that more than 9,000 people who have received income assistance have been placed in employment as a result of participating in the JPP program. A longer-term measure of success will be the number of people participating in the new Job Placement program who remain independent of income assistance for 19 months or more.



Desired Output/ Outcome	Performance Measure	2001/02 Target	Result
Persons with disabilities participate in employment or volunteer activities as they are able	Proportion of persons with disabilities receiving income assistance who declare employment income	New measure	About 11 per cent of persons with disabilities receiving income assistance declared income in 2001/02.

Reason for the measure: People with disabilities vary in the amount that they can work and become self-reliant. Some people with disabilities may never be able to become independent of income assistance but are still capable of working part-time or participating in volunteer activities in their communities. This measure helps to gauge the ministry's success in assisting all clients with disabilities to fulfill their social and economic potential.

Assessment of measure:
Strengths: This measure provides information on the proportion of persons with disabilities (PWDs) who have some employment income but are not independent of income assistance. It is reliable, accurate, comparable and based on information that is readily available to the ministry.
Future developments: Part of the desired outcome is tracked through this measure. Further work is needed to allow the ministry to also collect information on the number of people with disabilities who participate in volunteer activities.

Comments: Under BCEA, the earnings exemption is being increased from $200 to $300 for persons with disabilities and persons with persistent multiple barriers to employment. This is part of the ministry's Employment Strategy for Persons with Disabilities which recognizes that for those unable to achieve full independence from income assistance, participation and contribution in community activities and in the employment is healthy and beneficial.

GOAL 2: MHR services support self-reliance

Desired Output/ Outcome	Performance Measure	2001/02 Target	Result
Single parents leave income assistance for employment	Proportion of single parents in B.C. receiving assistance	New measure	An average of 37 per cent of single parents in B.C. received income assistance in 2001/02.

Reason for the measure: This measure helps to gauge the ministry's success in assisting single parents to build better lives for themselves and their children by replacing income assistance dependency with independence.

Assessment of measure:
Strengths: This measure provides information on the approximate percentage of single parents in B.C. receiving assistance. It was calculated by dividing the average single parent caseload for 2001/02 by the number of single parent families in B.C. with never-married children under the age of 19 at home as per the 1996 Census (most recent data available).
Future developments: Part of the desired outcome is tracked through this measure. Follow-up techniques are being developed that will allow the ministry to collect information on the number of single parents who leave the caseload and move into sustained employment, and the average level of income that single parents earn once they leave BCEA.

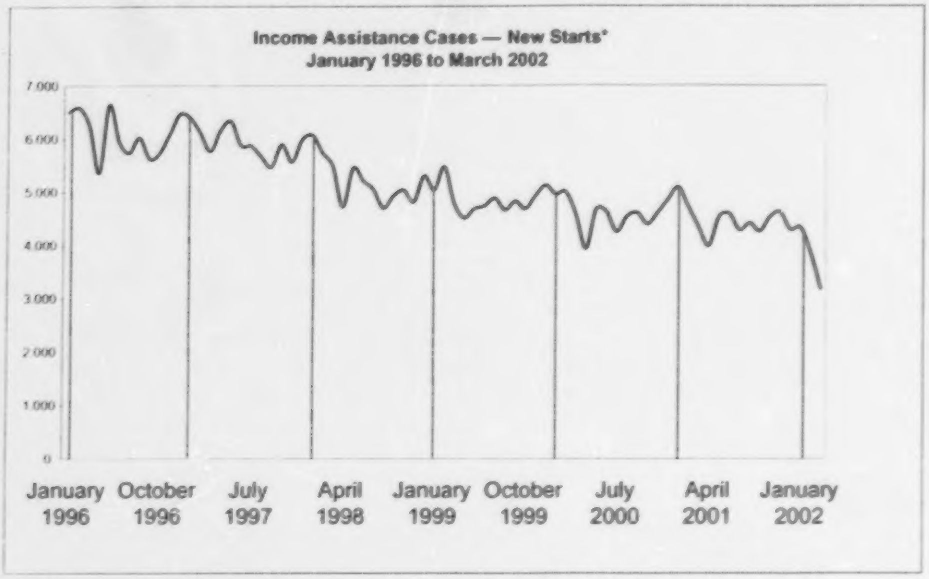
Comments: Under BCEA, single parents are required to seek work when their youngest child is 3 years old. This reflects the ministry's desire to balance the needs of young children to be cared for by their parents with the goal of assisting single parents on income assistance to become self-reliant through employment. Outcomes for children from families who have depended on income assistance for long periods of time are not as good as for children whose parents are independent of income assistance.

Desired Output/ Outcome	Performance Measure	2001/02 Target	Result
Fewer people enter the income assistance caseload	Number of starting income assistance cases	New measure	There were 50,934 starting income assistance cases in 2001/02.

Reason for the measure: One of the ways that MHR is assisting British Columbians in need to achieve their economic and social potential is by promoting a culture of self-reliance. Before requesting income assistance, individuals and families will have looked for other ways to support themselves — through applying for student loans or finding work. The ministry believes that the safety net should be available to all British Columbians as a last resort. This measure helps to gauge the ministry's success in promoting self-reliance among the general population.

Assessment of measure:
Strengths: This measure provides information on the number of new income assistance cases and returning cases who have not been on income assistance in the last year. It is reliable, accurate, comparable and based on information that is readily available to the ministry.
Future developments: No additional development is planned at this time.

Comments: Many factors outside the control of the ministry affect this measure such as the health of the economy and the rate of in-migration from other provinces.


Income Assistance Cases — New Starts*
January 1996 to March 2002

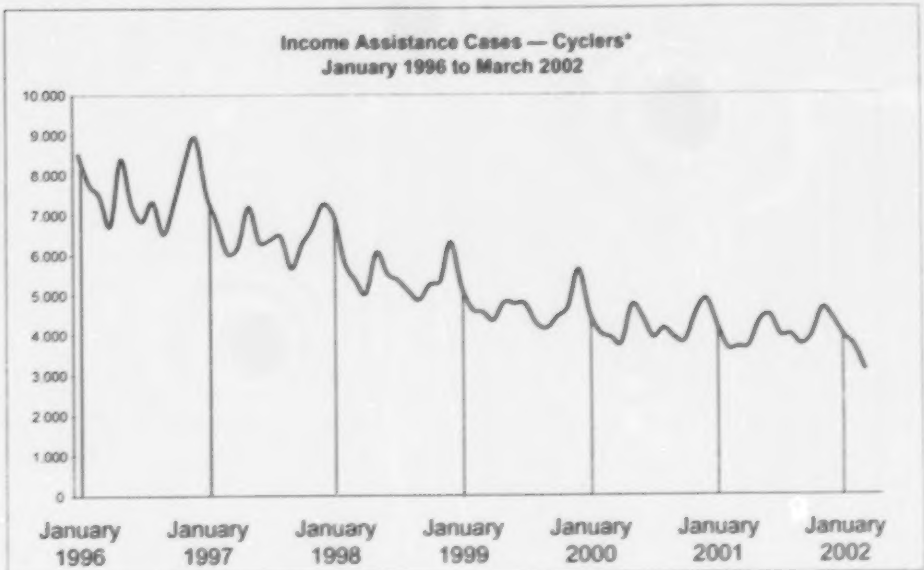
*Includes new cases and returning cases who have not been on income assistance in the past year.

Desired Outcome/ Output	Performance Measure	2001/02 Target	Result
Dependence on income assistance is reduced	Number of people who enter the income assistance caseload again after being off income assistance for less than a year	New measure	47,973 people entered the caseload after being off for less than a year in 2001/02.

Reason for the measure: Research shows that long-term dependence on income assistance has long-term negative impacts for individuals and families. This measure helps to gauge the ministry's success in supporting clients in replacing dependency with self-reliance.

Assessment of measure:
Strengths: This measure provides information on the number of people who cycle on and off the income assistance caseload. It is reliable, accurate, comparable and based on information that is readily available to the ministry.
Future developments: Many factors outside the control of the ministry affect this measure such as the health of the economy and the rate of in-migration. This measure does not apply to persons with disabilities who are not able to achieve independence through employment.

Comments: The ministry's new emphasis on employment means that clients will be quickly redirected to programs that allow them to achieve sustained employment rather than short-term jobs. This means that the number of employable people who cycle on and off the caseload should be reduced. It may also mean, however, that an increasing portion of the caseload will face significant barriers to finding and maintaining employment (e.g., alcohol or drug misuse, mental illness, poor literacy skills).



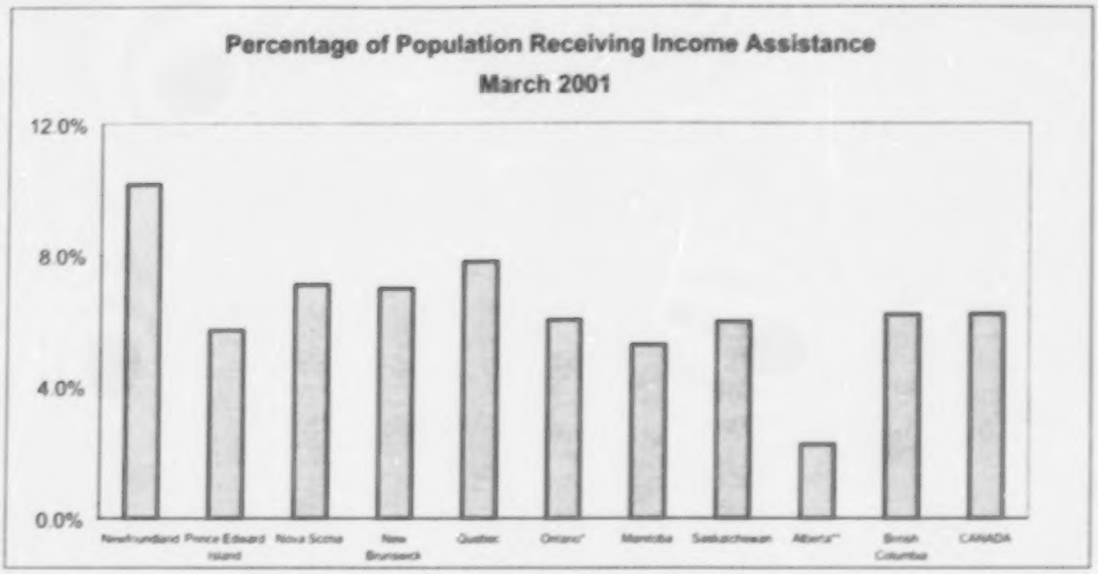
* Cyclers are income assistance cases that have started again on IA; after having been off IA for less than a year.

Desired Outcome/ Output	Performance Measure	2001/02 Target	Result
A lower percentage of British Columbians receive income assistance	Proportion of general population receiving income assistance	6.0 per cent	The average percentage of the population receiving income assistance in 2001/02 was 6.01 per cent. As of March 2002, this figure was 5.84 per cent.

Reason for the measure: This measure is a good standard comparable gauge for measuring level of income assistance dependence in B.C. with that of other jurisdictions.

Assessment of measure:
Strengths: This measure provides information on the percentage of the population of B.C. who are receiving income assistance. It is reliable, accurate, comparable and based on information that is readily available to the ministry. While the measures are accurate, provinces do not have income assistance programs that are identical and therefore comparisons can only be used as rough measures of levels of dependency.
Future developments: No future developments planned at this time.

Comments: Many factors outside the control of the ministry affect the number of individuals and families who receive income assistance such as the health of the economy and the rate of in-migration from other provinces.



Percentage of Population Receiving Income Assistance
March 2001

NOTE: Provincial Social Assistance data may be inconsistent over time due to program and/or statistical reporting system changes. Population data are as of April 1 and have been revised based on the 1996 Census

* Excludes Assistance for Children with Severe Disabilities (14,900 children for March 2001)

** Includes Student Financial Assistance, AISH and Children in Need data. An estimated 10,000 on Student Financial Assistance has been added.

Sources: Population data: Statistics Canada Catalogue 91-003, Quarterly Demographic Statistics, Jan. - Mar. 2001
Social Assistance data : Quantitative and Information Analysis, Social Policy, HRDC

GOAL 3: MHR clients' basic health needs are met

Desired Output/ Outcome	Performance Measure	2001/02 Target	Result
Clients have access to essential supplementary health benefits	Number of eligible people receiving medical equipment and supplies	New measure	Baseline information under development.

Reason for the measure: Access to health care is important to all British Columbians. For income assistance clients, purchasing needed health equipment and ongoing supplies may be difficult. This measure will gauge the ministry's success in providing essential supplementary health supports to income assistance clients.

Assessment of measure:
Strengths: This measure will provide information on the number of eligible people in B.C. receiving medical equipment and supplies through the Ministry of Human Resources.
Future developments: Right now, major medical equipment items and ongoing supplies are tracked through the ministry's Health Benefits Branch. An initiative has been proposed to use a different form of purchase authorization for medical equipment and supplies that would allow the ministry also to code and track minor equipment and short-term supplies approved by field offices. This measure provides a useful benchmark to assess the accessibility of the program.

Comments: Under BCEA, eligible clients with ongoing medical needs will have access to appropriate equipment and supplies.

Desired Output/ Outcome	Performance Measure	2001/02 Target	Result
Homeless individuals have access to emergency accommodation as needed	Number of beds provided	New measure	MHR funded 630 contracted year-round emergency beds in 2001/02 and an additional 244 beds from November 2001 to March 2002.

Reason for the measure: The Ministry of Human Resources teams with community partners to fund emergency shelter beds for homeless people year round and additional beds as needed over the cold winter months. This measure gauges the ministry's success in providing homeless people with access to safe, warm emergency accommodation, particularly during the months when it is most needed.

Assessment of measure:
Strengths: This measure provides information on the number of emergency beds in shelters and emergency hostels funded by the Ministry of Human Resources through contracted agencies. It is reliable, accurate, comparable and based on information that is readily available to the ministry.
Future developments: Part of the desired outcome is tracked through this measure.

Comments: Under the Cold Weather Strategy, MHR's nine regional offices consult with community agencies and develop a plan to meet the unique needs of communities in their regions for additional emergency shelter spaces from November to March.

Desired Output/ Outcome	Performance Measure	2001 Target	Result
Individuals and families have access to short-term disaster assistance through the Emergency Social Services (ESS) program	Number of people requiring short-term disaster assistance who are served through ESS program	New measure	2,434 British Columbians received services through the ESS program in 289 incidents in 2001.

Reason for the measure: Under the Ministry of Human Resources Emergency Social Services (ESS) program, local volunteer ESS teams around the province provide short-term assistance to British Columbians who are forced to leave their homes because of fire, floods, earthquakes or other emergencies. This measure gauges the ministry's success in meeting the needs of B.C. families and individuals for short-term disaster assistance.

Assessment of measure:
Strengths: This measure provides information on the number of British Columbians forced from their homes by disasters who received assistance through the ministry's Emergency Social Services Program. It is reliable, accurate, comparable and based on information that is readily available to the ministry. It is a good indicator of ESS activities throughout the province.
Future developments: No future developments planned.

Comments: MHR's ESS Program Office is responsible for planning and coordinating provincial government involvement in the provision of ESS during an emergency or disaster. The ESS Program Office works alongside the Provincial Emergency Program (PEP), as well as other provincial ministries and corporations, to ensure a coordinated approach to the delivery of emergency services across BC. In addition, the ESS office assists local authorities in planning and operating ESS and provides support and training to about 5,000 ESS volunteers around the province.

GOAL 4: The Ministry is an accountable organization

Desired Output/ Outcome	Performance Measure	2001/02 Target	Result
Appeals are adjudicated in a timely fashion	Average time taken to adjudicate appeals	New measure	2 months on average from date of reconsideration request to date of tribunal decision 4-5 months on average from date of tribunal decision to date of Appeal Board decision

Reason for the measure: A fair, impartial, accessible and timely appeal system is fundamental to citizen confidence in the integrity of B.C.'s income assistance system. In particular, people appealing ministry decisions need to know the results of their appeals as quickly as possible. This measure gauges the effectiveness of the appeal system in adjudicating appeals in a timely fashion.

Assessment of measure:
Strengths: This measure provides information on the average length of time people must wait before a decision is rendered on their appeal under the ministry's current appeal system. It is reliable, accurate, comparable and based on information that is readily available to the ministry. It measures the impact of the ministry's activities.
Future developments: This measure assesses the timeliness of an appeal process that is being substantially restructured under BCEA. It introduces a level of accountability for ensuring that appeals do not become bogged down in the system. This level of accountability did not exist before. It provides a useful benchmark for the ministry to measure against when assessing the performance of the new appeal system. MHR is currently developing a new reporting process that will allow the ministry to more accurately measure the length of time taken to adjudicate appeals and to break that information down by region.

Comments: Following direction from the Premier, MHR is developing a streamlined appeal process for income assistance clients. The new, streamlined appeal system will be implemented when the new *Employment and Assistance Act* and *Employment and Assistance for Persons with Disabilities Act* come into force.

2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Employment Programs	110,108	0	110,108	108,848	1,260
Temporary and Continuous Assistance	1,282,764	0	1,282,764	1,266,441	16,323
Supplementary Assistance	307,631	0	307,631	294,767	12,864
Corporate Services and Service Delivery	238,297	0	238,297	235,815	2,482
Total — Ministry Operations	**1,938,800**	**0**	**1,938,800**	**1,905,871**	**32,929**
Contingencies	0	105	105	105	0
Total	**1,938,800**	**105**	**1,938,905**	**1,905,976**	**32,929**
Full-time Equivalents (FTEs)					
Total	**3,025**	**0**	**3,025**	**2,925**	**100**
Ministry Capital Expenditures ($000)					
Information Systems	11,774	0	11,774	3,862	7,912
Office Furniture and Equipment	1,942	0	1,942	819	1,123
Tenant Improvements	250	0	250	0	250
Vehicles	0	0	0	425	(425)
Total	**13,966**	**0**	**13,966**	**5,106**	**8,860**
Consolidated Capital Plan Expenditures ($000)					
n/a					
Capital Financing Transactions - (Net Disbursements) ($000)					
n/a					

Ministry of
Management Services

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

Ministry of
Management Services

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Management Services
Annual Report. — 2001/2002

Annual.
ISSN 1703-3306 = Annual Report - British Columbia. Ministry of Management Services

1. British Columbia. Ministry of Management Services - Periodicals. 2. Support services (Management) - British Columbia - Periodicals. 3. Administrative agencies - British Columbia - Management - Periodicals. 4. Government purchasing - British Columbia - Periodicals. 5. Government information agencies – British Columbia – Periodicals. I. Title. II. Title: Ministry of Management Services Annual Report.

JF1501B74 351.711'05 C2002-960122-3

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Published by the Ministry of Management Services
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Management Services Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Sandy Santori
Minister of Management Services

June 7, 2002

F-8

BRITISH
COLUMBIA

Ministry of Management Services

The creation of the Ministry of Management Services brought together a number of key corporate and administrative functions within government. This signalled a recognition on the part of government, that as our programs and services underwent transformation to become more affordable, cost-effective, efficient and sustainable, so too would the common administrative and support services to ministries undergo significant change.

That change, to develop new approaches and processes to manage support services to government ministries, is well underway. The result will be less duplication in the delivery of common support services such as payroll and leave management, purchasing and supply services, accounts payable, common administrative support services and information technology services. Developing an effective system for common, consistent and quality services in these areas is a significant challenge. This overall approach will also provide unique opportunities to improve service delivery and streamline processes.

The goal of this change process is to continue to provide these services in an effective way in order to allow individual government ministries to focus their resources and energy on delivering programs and services directly to the public.

Our Ministry is also charged with ensuring increased openness and competition in government tendering and procurement. We are also reviewing our Freedom of Information and Protection of Privacy legislation and practices so that British Columbians continue to benefit from what is regarded as one of the best privacy protection and access acts in Canada.

Progress in all of these areas is evidenced by the activities and accomplishments highlighted in this report. Ministry staff have undertaken these challenges with enthusiasm and diligence. I am confident that the steps we have taken to date will provide a foundation for the ongoing change needed to better serve government and the public.

Hon. Sandy Santori
Minister of Management Services

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Year-at-a-Glance Highlights

E-Government Initiatives:

- Significant progress has been made toward an integrated one-stop access for citizens by consolidating BC Connects, BC Internet Services, BC OnLine and Enquiry BC.
- Implementation planning is underway for the launch of government's Enterprise Portal in the fall of 2002. One-stop access will be carried forward with that launch.
- The Corporate Annual Report system (developed by Government Services and Registries, Ministry of Finance) was launched through BC OnLine on January 28, 2002. This system allows electronic filing of corporate annual reports and is the first service to offer the option of credit-card payment through BC OnLine.
- An on-line authentication service (BCe-ID) was launched February 19, 2002, initially developed to support BC Pension Corporations's business needs. BCe-ID will become the common authentication function for e-government in B.C. There will be broader applications for BCe-ID as it will become a key tool for secure e-business with the public.
- BC Stats has developed a Web-based survey tool and expertise capable of providing government ministries with continuous, timely and cost-effective feedback on how well they are doing business as a service provider and as an employer.
- The capability and infrastructure to securely store and manage electronic records in the custody of BC Archives has been established.
- An Enterprise Document and Records Management System will be piloted during the upcoming months. This system will deploy a document and records management system to each desktop in government; the system will enable every employee to manage, file and retrieve documents and records efficiently.
- The Waste Buster Web site, launched on August 15, 2001, resulted in more than 70,500 visits and more than 5,900 submissions by March 31, 2002.
- Consolidating the posting of government bid opportunities for goods, services and construction on BC Bid (www.bcbid.ca) has provided easier access for suppliers at a one-stop Internet site. In the fiscal year ending March 31, 2002, the total opportunities posted on BC Bid increased 16 per cent to 3,007 bid notices. This total includes a 27 per cent increase in bid opportunities posted by public-sector agencies outside government ministries.
- The BC Bid upgrade is underway with implementation in July 2002. In addition to all current functions, the BC Bid upgrade will enable suppliers to provide on-line quotes and proposals in response to opportunities posted by the British Columbia government and will enable buyers to initiate on-line requisitions and opportunity posting.
- The Common Information Technology Services branch of the Ministry is assisting in the *New Era* commitment of extending high-speed, broadband Internet access. They led negotiations for the Ministry of Advanced Education and the Ministry of Education to upgrade network access for several B.C. colleges and schools. They also advised Kamloops, Penticton and the Columbia Basin Trust in considering local broadband initiatives.
- The Common Information Technology Services branch worked with the Rural Healthlinks Project of the Ministry of Health Services and conducted a pilot project using videoconferencing technology to improve medical services to remote communities.

Legislation/Policy Initiatives:

- Amendments to the *Freedom of Information and Protection of Privacy Act* (FOIPP) that will respond to the recommendations of the Special Legislative Committee on FOIPP and address compliance and cost issues are being introduced during the spring 2002 legislative session. Further improvements requested by the Premier to increase openness and reduce compliance costs are planned for the spring of 2003.
- Legislation to protect the personal information of B.C. citizens held by the private sector is being prepared for introduction in the spring of 2003.
- Extensive consultations have been carried out with consensus beginning to form for the Open and Fair Procurement legislative initiatives. A Procurement Reform Discussion Paper was developed in consultation with ministries and the private sector to identify procurement legislation and related policy issues that require modernization. The paper has been available on the Purchasing Commission Web site since March 27, 2002 for review and comment. The Request for Legislation will be completed by July 2002 for the spring 2003 legislative session.
- Effective March 31, 2002, Crowns, municipalities, academic institutions and health and social service entities are covered by the procurement provisions of the Agreement on Internal Trade. This resulted from a decision made at Open Cabinet on July 18, 2001 regarding restoring open tendering on government contracts.

Shared Services:

- Cabinet and Treasury Board approved the ministry's Shared Services Strategic Plan and confirmed direction to proceed to implementation planning in December 2001.
- Examples of shared services currently being planned and implemented are: travel payments, information technology servers, information technology infrastructure help desk, distributed computing services, purchase card and information technology procurement.
- A shared services structural framework discussion paper has been distributed for consultation to describe key partners' roles, responsibilities, accountabilities and relationships in a shared services system. Stakeholder consultation was completed in March 2002.
- The Shared Services organization will be operational by April 2003, with the implementation of a suite of services including accounts payable, travel processing, procurement and supply management and the consolidation of information technology for many ministries. Full transition will be completed over the next two years.

Ministry Role and Services

Vision

British Columbia has the most cost-effective, innovative and responsive support services in Canada for delivering government services to the public.

Mission

To provide shared services and high-quality corporate programs for government's internal operations to better enable government to serve the people and businesses of British Columbia.

Values and Principles

In pursuing our mission and mandate we will remain committed to the following values and principles which will guide all our activities and provide the foundation for our success as an organization.

Values

- Honesty
- Fairness
- Integrity
- Teamwork
- Responsibility
- Accountability

Principles

Client-focused	We value and involve our internal and external clients and strive to remain responsive to their needs.
Cost-competitive	We will provide effective and streamlined services that are cost-competitive with similar agencies.
Results oriented	We recognize the importance of measuring our performance, providing demonstrable value for our clients and remaining accountable for results.
Innovative	We will champion staff creativity and best practices to remain adaptive to our environment.
Teamwork	We strive to develop a high-performance culture that recognizes the value of collaboration and rewards both individual and collective achievements.
Partnerships	We appreciate the importance and benefit of partnerships within the Ministry and with other ministries, Crown corporations and businesses.
Healthy workplace	We operate in a manner that promotes mutual respect, integrity and a culture of personal and professional development.

Core Business Areas

The Ministry of Management Services, created in June 2001 to provide key support services to government, is undergoing a strategic shift toward the development of a shared services model that will apply to all government ministries initially, and may later be extended to the broader public sector. Because full implementation of a shared services program and agency will take two to three years, some shared services will be phased in earlier than others.

The Ministry's Procurement and Supply and Common Information Technology Services divisions, as well as components of the Corporate and Ministry Support Services will become part of the future Shared Services organization.

In order to realize our mandate and achieve our strategic direction, the Ministry has established the following four core business areas:

Procurement and Supply Services

- Provides value-added supply solutions to government, largely on a fee-for-service basis. These include: the acquisition of goods and services; provision of printing, publishing and mail services; warehousing and distribution of office and specialty products; as well as responsibility for Government House. It also disposes of government's surplus assets, manages intellectual property and operates the "BC Bid" system to post opportunities for government contracts.

Common Information Technology Services

- Provides common information technology services to public-sector organizations. Services include: voice and data networks; distributed computing; information technology help desk services; shared data processing; electronic mail; common application software support; and security and anti-virus protection.

Corporate and Ministry Support Services

- Provides the Ministry of Management Services, as well as a number of other agencies and ministries, with financial administration, personnel management, information technology management, staff development and training and other related services.

Corporate and Information Programs

- Provides a range of corporate government programs including Records Management, Corporate Privacy and Information Access, BC Stats, BC Archives, BC Connects (including Enquiry BC and BC OnLine), Waste Buster and BC Internet Services.

These four core business areas include all Ministry of Management Services' programs and services and each contributes directly to one or more of the following Ministry goals.

Ministry Goals

The Ministry of Management Services has identified five long-term goals that are derived from our mandate and direction from government.

Goal 1: Taxpayers get value from the way the government runs its internal operations.

The province's taxpayers expect that government programs and services will be delivered cost-effectively. The Shared Services delivery organization will produce good value by reducing duplication as well as leveraging technology, infrastructure and specialist skill investments.

The Ministry is also committed to creating partnerships with both clients and the private sector, and to the expansion of cost-recovery models.

Goal 2: Citizens have access to government when and how they need it.

British Columbians increasingly expect government services to be accessible in person, by telephone and electronically. In keeping with the Government's *New Era* commitments, the Ministry will support the Chief Information Officer in the development of 24-hours-a-day, seven-days-a-week electronic access to core government services. On-line citizen access will also be improved by the development of a single-window gateway that will not only link government programs and services with the clientele they serve, but also promote greater accountability and openness. Ultimately, our aim is to help restore British Columbia as a world leader in e-government.

Goal 3: Government's procurement of goods and services is fair, open and competitive.

Effective management of public resources and tax dollars requires that best value is obtained through open and competitive procurement, innovative management practices and reform of the existing procurement legislation.

Improvement of the BC Bid system as the single on-line access point for public-sector procurement and possible expansion into the broader public sector will promote a more competitive environment at reduced cost.

Goal 4: Public has confidence in the way government and regulated bodies manage the information they hold.

In March 2002 the Ministry introduced amendments to legislation to update the *Freedom of Information and Protection of Privacy Act* to reduce compliance costs, provide greater transparency and accountability and better protect the privacy of all British Columbians.

Private-sector privacy legislation will also be developed to ensure the protection of personal information by the private sector — to respond to the 92 per cent of British Columbians who responded that they want this kind of legislation and to comply with federal and international standards and requirements.

Goal 5: To be a high-performing organization.

Achievement of the Ministry's goals requires an innovative, responsive and healthy organization. In order to build organizational capacity to deliver services, the Ministry will continuously develop our workforce and foster a healthy workplace.

In achieving these goals, the Ministry is committed to measuring our performance and ensuring proper accountability to the Legislature, clients and the public.

Public Service Appeal Board

The board is responsible for upholding the principle of merit in the job competition process in the public service. It hears and rules on appeals from employees who are unsuccessful candidates for public service jobs and has the power to have appointments rescinded and reconsidered. The board has three part-time members and a part-time Chair. Under the *Public Service Act*, the board has the power to appoint members to hear one or more appeals.

Achievement of Performance Targets for 2001-2002

Target: To rule on appeals from employees who are unsuccessful applicants in public-service competitions.

Progress:

- A total of 88 appeals were filed during fiscal 2001-2002, down from 151 the previous year.
- Ministries cancelled 19 appealed competitions; 44 appeals were voluntarily withdrawn; two appeals were filed by appellants who did not have appeal rights as established under the Public Service Act; six appeals did not meet the filing deadline established by the Public Service Appeal Regulation.
- Seventeen appeals were heard, a decrease of 23 over the previous year.
- As a result of early dispute resolution, 71 appeals or 80.7 per cent of the appeals launched were resolved without the need for a hearing.
- Seven pre-hearings resolved administrative issues — a decrease of 10 over fiscal year 2000-2001.

Target: To reduce the appeal processing time while maintaining procedural fairness.

Progress:

- The appeal board met quarterly for policy and professional development.
- A new Web site provides the public, human resources advisers, employees, appellants and union representatives with greater access to appeal-related information. It also allows applicants to file appeals on-line.

C.J. Connaghan,
Chair, Public Service Appeal Board

Update on *New Era* Commitments

New Era Commitments Achieved

- The Legislature passed merit employment legislation to ensure a professional, non-partisan public service.
- The Ministry established a Waste Buster Web site for taxpayers to help identify, report and stamp out government waste.
- The Ministry co-ordinated government's efforts to remove immediate legislated policy and other impediments to fair and open tendering on government contracts to allow fair competition for businesses and provide better value to taxpayers.
- The Ministry is using on-line procurement technology to save costs and maximize taxpayers' value for money on all major government purchases.

Ongoing *New Era* Commitments

- With the Office of the Chief Information Officer, the Ministry is restoring B.C. as a world leader in e-government to give 24-hours-a-day, seven-days-a-week on-line access to core services and to give citizens and business better on-line access to core services.
- The Ministry is cutting the cost of paper flow by digitizing all possible government data, forms and information.
- The Ministry is eliminating administrative duplication and costs.
- The Ministry introduced procurement reform through a whole suite of activities including legislation, policy, training and education to increase public-sector capacity to open procurement practices.

Key Projects

- In December 2001 Cabinet endorsed a strategy for the implementation of a shared support services delivery system for government's internal operations that can potentially be expanded into the broader public sector in the future.
- Amendments to the *Freedom of Information and Privacy Act* were introduced in March, 2002. The amendments are intended to improve privacy protection, increase openness and accountability and reduce overall compliance costs.
- The ministry is developing legislation to protect the personal information of British Columbians held by the private sector — a foundation for electronic commerce.

Performance Measures

Introduction

In keeping with the Ministry of Management Services' commitment to openness and transparency, we have identified four measures which may be used to evaluate our organizational performance. These measures span a period of transition for the ministry and may reflect performance targets established by other organizations that preceded the creation of the Ministry of Management Services. As the Ministry moves to realize the goals and performance levels detailed in our Service Plan 2002/03 – 2004/05, we look forward to more comprehensive performance reporting as the information is available.

All of the data used to develop the following performance measures were derived from the Ministry's internal information systems and comply fully with government accounting policies and practices. For additional information on the performance measure methodologies including data sources, calculations and limitations of the data, please visit the Ministry of Management Services Web site at:

http://www.mser.gov.bc.ca/rpts/sp.htm

Performance at a Glance

Performance Measure	2001/02 Target	2001/02 Actual	Variance	Target Achieved
Savings from centralized procurement activities	> 10%	14.19%	+ 41.9%	✓
Central procurement operational costs as percentage of value of total goods and services purchased	< 1%	0.93%	- 0.07%	✓
Number of public-sector agencies utilizing the BC Bid system	50	67	+ 34%	✓
Average number of training hours per employee	—	12.2	—	—

Performance Reporting

Performance Measure: Savings from centralized procurement activities

Goal:	Government's procurement of goods and services is fair, open and competitive
Objective:	Increase the total value of goods and services obtained through competitive procurement opportunities

Procurement and Supply Services' management of centralized procurement activities for all of government is intended to provide partner organizations with high-quality services capable of generating significant cost savings. This measure encompasses both the efficiency of the centralized purchasing function as well as the total value of purchasing opportunities supported.

Higher savings value indicates an improved ability to provide ministry clients with increased value and competitive benefit in procuring goods and services.

Results:

The performance target for this measure was established in the Ministry of Finance Performance Plan 2001/02.

Performance Measure	2001/02 Target	2001/02 Actual	Variance	Target Achieved
Savings from centralized procurement activities	> 10%	14.19%	+ 41.9%	✓

Analysis

Context:

- Savings on goods purchased through Purchasing Services are calculated on the difference between the average qualified bid price and the cost of the successful bid. The sum of each calculation is aggregated into the net savings ratio (13.8%) for all goods procurement. An estimated $25.8 million was saved on $187.5 million goods purchased.
- A saving incidence rate of 15% was applied to acquisitions for services acquired through requests for proposals (consistent with savings referenced by the National Institute of Government Purchasing). An estimated $14.3 million was saved on $95.4 million services purchased.
- An estimated $40.1 million was saved on the $282.9 million of goods and services purchased through Purchasing Services (14.19% savings).

Performance Measure: Central procurement operational costs as a percentage of value of total goods and services purchased

Goal:	Government's procurement of goods and services is fair, open and competitive
Objective:	Increase the total value of goods and services obtained through competitive procurement opportunities

This measure evaluates the efficiency of the government's central procurement services. The cost required to operate the procurement services is contrasted with the value of goods and services managed. Results provided by the measure assist the ministry in monitoring the cost-effectiveness of its operations as well as ensuring transparency and accountability to the clients we serve.

A lower percentage indicates greater efficiency and cost-effectiveness in the delivery of procurement services.

Results:

The performance target for this measure was established in the *Ministry of Finance Performance Plan 2001/02.*

Performance Measure	2001/02 Target	2001/02 Actual	Variance	Target Achieved
Central procurement operational costs as percentage of value of total goods and services purchased	< 1%	0.93%	- 0.07%	✓

Analysis

Context:

- Procurement cost-to-spend ratio achieved was better than target. Total value of goods and services purchased through Purchasing Services decreased 11% to $283 million from previous year.
- Operating costs include salaries, benefits, travel, training, information technology and contractor support costs incurred by Purchasing Services to provide procurement services to government.

Performance Measure: Number of public sector agencies utilizing the BC Bid system

Goal:	Government's procurement of goods and services is fair, open and competitive
Objective:	Increase opportunities for on-line procurement to save costs and maximize value

The ministry's BC Bid system provides the province's public sector with the ability to post their procurement opportunities online allowing them to save costs and maximize taxpayers' value-for-money. This measure evaluates the recognition by public agencies outside the provincial government of the advantages that BC Bid offers their organization.

A higher number indicates that public agencies have increasingly adopted BC Bid as an effective means of notifying suppliers of supply opportunities.

Results:

The performance target for this measure was established in the *Ministry of Finance Performance Plan 2001/02.*

Performance Measure	2001/02 Target	2001/02 Actual	Variance	Target Achieved
Number of public sector agencies utilizing the BC Bid system	50	67	+ 34%	✓

Analysis

Context:

- Public-sector agencies include Crown corporations, municipalities, academic institutions, school boards and health authorities that registered to use BC Bid and posted at least one notice during the year.
- The number of procurement opportunities posted on BC Bid by these other public-sector agencies increased 27% in 2001-02. The 1,240 notices posted by these other public-sector agencies represent 41.2% of the total 3,007 bid notices posted on BC Bid.
- The number of procurement opportunities posted on BC Bid by ministries increased 9% to 1,767 bid notices in 2001-02.

Performance Measure: Average number of training hours per employee

Goal:	To be a high-performing organization
Objective:	Build essential internal competencies and skill sets to meet current and future Ministry business requirements

The Ministry of Management Services recognizes that our staff provides the foundation for our ability to provide high-quality and cost-effective services. We remain committed to the development of staff competencies and skill sets that contribute both to enhanced job satisfaction and improved organizational performance. This measure monitors the resources provided to training and development initiatives within the ministry.

A greater number of training hours is indicative of an enhanced commitment to employee professional development and capacity building.

Results:

The performance information for this measure was developed from historical data. As the measure was first introduced in the current year's Service Plan no targets were established. Service Plan performance targets for the 2002 - 2003 are 14 hours of training per employee.

Performance Measure	2001/02 Target	2001/02 Actual	Variance	Target Achieved
Average number of training hours per employee	—	12.2	—	N/A

Analysis

Context:

- The Ministry has focused upon developing and delivering cost-effective internal training for our employees. The courses and workshops provided reflected a broad range of skills and competencies that addressed opportunities for enhanced personal and organizational performance.
- In addition to position-specific training, the Ministry also offered a wide range of professional development workshops through our Learning and Employee Development Unit (LEDU). LEDU courses ranged from Team Leadership and Communication sessions to Analysis of Work Processes.

2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
		Operating Expenses ($000)			
Vote 36					
Minister's Office	594	—	594	327	267
Corporate Services	15,634	398	16,032	16,872	(840)
Procurement Services and Government House	4,825	—	4,825	4,731	94
Public Service Appeal Board	438	—	438	435	3
Corporate and Information Programs	12,381	—	12,381	11,845	536
Cross Government Initiatives	4,004	—	4,004	3,872	132
Information Technology Services	1	—	1	193	(192)
Total Vote 36	**37,877**	**398**	**38,275**	**38,275**	**—**
Vote 38 — Product Sales and Services	**1**	**—**	**1**	**0**	**1**
		Full-time Equivalents (FTEs)			
Vote 36	**806**	**5**	**811**	**776**	**35**
Vote 38	**400**	**(5)**	**395**	**411**	**(16)**
		Capital Expenses ($000)			
Information Systems	**30,475**	**—**	**30,475**	**17,801**	**12,674**
Other	**1,568**	**—**	**1,568**	**881**	**687**
Total Vote 36 and 38	**32,043**	**—**	**32,043**	**18,682**	**13,361**

Public Service Employee Relations
Commission

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

Public Service Employee Relations
Commission

Canadian Cataloguing in Publication Data
British Columbia. Public Service Employee Relations Commission
Annual Report. — 2001/2002

Annual.
Running title: Public Service Employee Relations Commission annual report.
1995/96 Annual Report.
Reports for 1996/97 and 1997/98 combined.
Report for 1999/01.
Report year ends Mar. 31.
ISSN 1483-6548 = Annual Report - British Columbia.
Public Service Employee Relations Commission

1. British Columbia. Public Service Employee Relations Commission - Periodicals. 2. Civil service - British Columbia - Personnel management - Periodicals. I. Title: Public Service Employee Relations Commission Annual Report..

JL432.Z13P44 352.6'8'09711'05 C98-802403-9

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Published by the Public Service Employee Relations Commission

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Public Service Employee Relations Commission Annual Report was prepared under my direction and I am accountable for the results the Commission achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments that are to be addressed by May 17, 2005.

Sandy Santori
Minister of Management Services
July 11, 2002

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Public Service Employee Relations Commission

Over the past year this government has taken a hard look at existing programs and services. Our intent is to ensure that progress in economic and social development is consistent with our principles and values as we work to improve the quality of services for the citizens of British Columbia.

A strong, efficient and effective public service is the foundation upon which the government carries out its priorities and meets its objectives.

The public service faces a number of human resource challenges in the form of demographic and labour market pressures, employee morale and satisfaction issues, and corporate pressures stemming from the Core Services Review and fiscal restraint. The Public Service Renewal Project, launched in the fall of 2001, is developing human resource management solutions to enable the public service to meet current and future challenges.

We are focusing on executive, management, and employee development and training as the first strategic step. Our goal is a workforce with proactive and visionary leadership, an effective human resource strategy, and a focus on employee performance, learning, innovation, and progressive employee-employer relations.

The government of British Columbia will continue to be the largest employer in the province and with a renewed public service, I am confident that it will become an employer of choice.

Sandy Santori
Minister of Management Services

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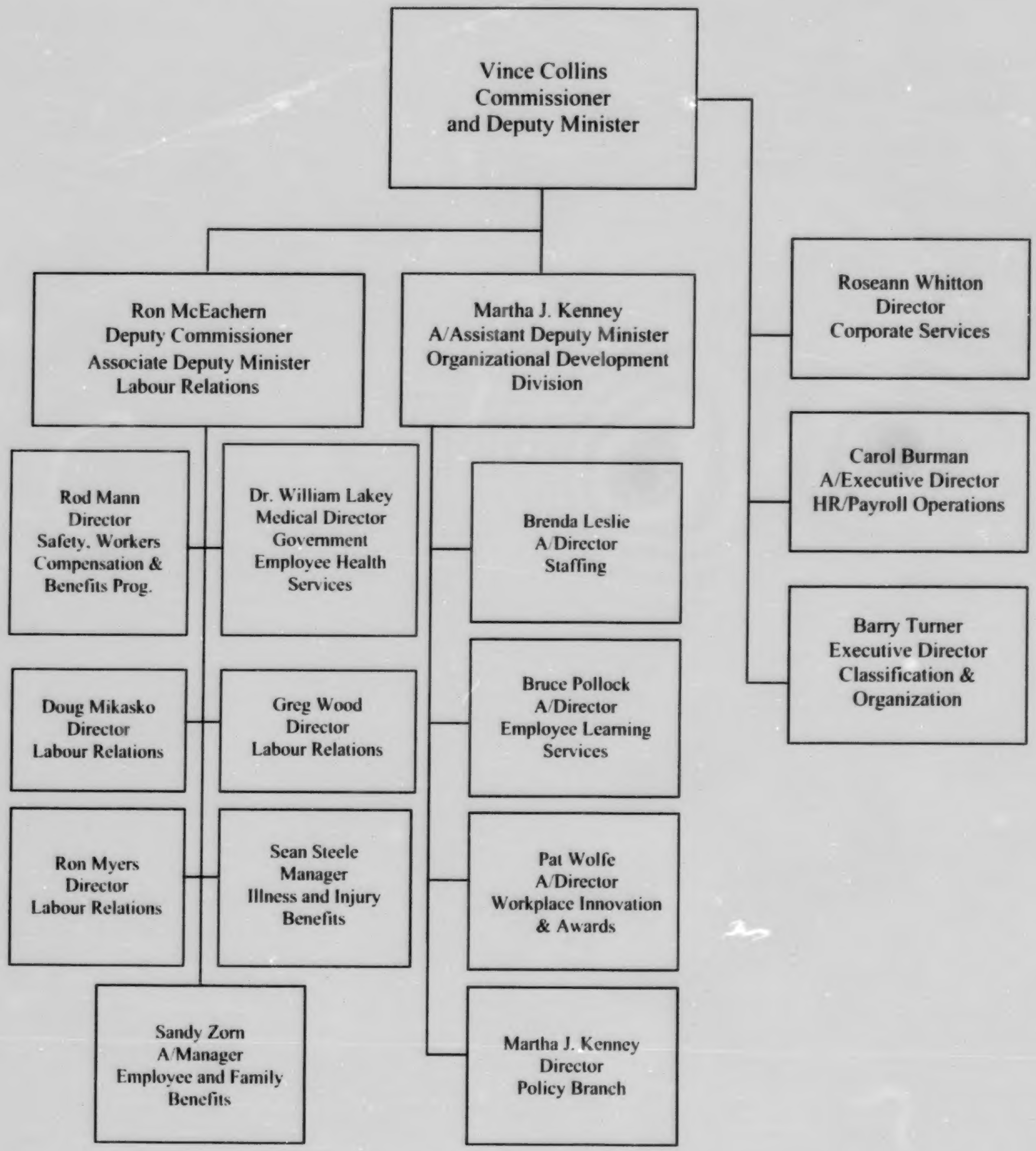
Year-at-a-Glance Highlights

Commission personnel provided a variety of human resource services in 2001/2002. The following is a sample of their achievements:

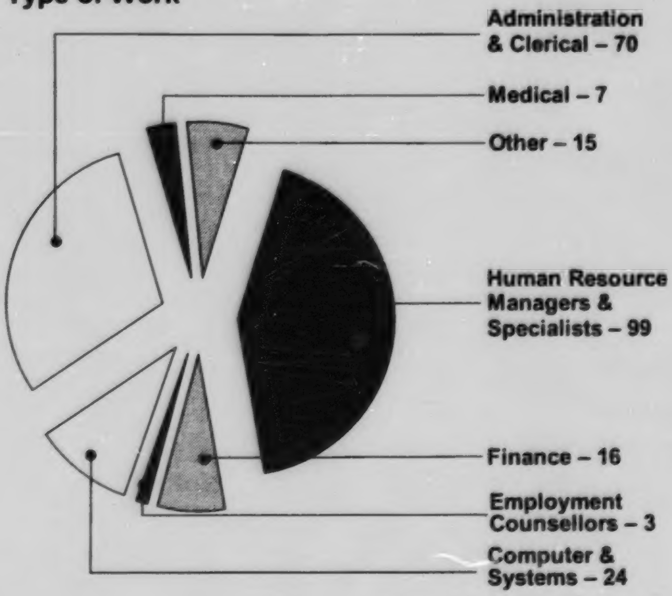
- initiated the implementation of the strategic shifts that were approved by the Core Services Review Task Force;
- achieved the year one budget reduction targets given to the Commission by Treasury Board;
- worked with ministries to develop a plan to consolidate all human resource functions in the public service into a new Human Resource Management Agency that will replace Public Service Employee Relations Commission and incorporate many functions currently performed by ministry human resource offices;
- worked with ministries to develop and commence implementation of the strategies necessary to support the renewal of the public service;
- ran a gross payroll of $1.6 billion;
- upgraded to PeopleSoft 8 (Corporate Human Resource Information and Payroll System);
- designed and administered a government-wide workforce adjustment program;
- established an Executive Management Services office in June 2001 that coordinated the recruitment of 12 executives;
- developed and implemented a new compensation plan for deputy ministers with pay for performance as a key element;
- established an executive orientation program;
- purchased and validated a behavioural competency dictionary for human resource management;
- established the Office of the Merit Commissioner to promote a professional public service;
- administered a program that awarded formal recognition for innovation and excellence to more than 20 per cent of the government employees;
- administered a program that resulted in hiring close to 1,000 youth under the government youth employment and co-op programs, and 25 interns for 48-week work terms; and
- administered an $8 million Public Service Learning Fund, and supported ministries on delivery of corporate training.

Public Service Employee Relations Commission

April 1, 2002


Vince Collins
Commissioner
and Deputy Minister
Ron McEachern
Deputy Commissioner
Associate Deputy Minister
Labour Relations
Martha J. Kenney
A/Assistant Deputy Minister
Organizational Development
Division
Roseann Whitton
Director
Corporate Services
Carol Burman
A/Executive Director
HR/Payroll Operations
Barry Turner
Executive Director
Classification &
Organization
Rod Mann
Director
Safety, Workers
Compensation &
Benefits Prog.
Dr. William Lakey
Medical Director
Government
Employee Health
Services
Doug Mikasko
Director
Labour Relations
Greg Wood
Director
Labour Relations
Ron Myers
Director
Labour Relations
Sean Steele
Manager
Illness and Injury
Benefits
Sandy Zorn
A/Manager
Employee and Family
Benefits
Brenda Leslie
A/Director
Staffing
Bruce Pollock
A/Director
Employee Learning
Services
Pat Wolfe
A/Director
Workplace Innovation
& Awards
Martha J. Kenney
Director
Policy Branch

Type of Work

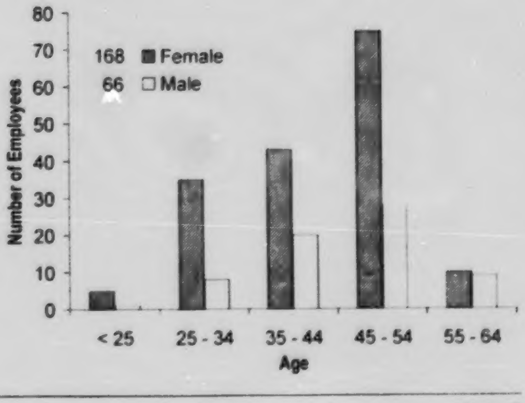


Location of Work

Location	Employees
Kamloops	4
Port Coquitlam	1
Vancouver	8
Victoria	221
Grand Total	**234**

Branches	**No. of employees**
Commissioner's Office	4
Compensation & Classification	21
Corporate Services	13
Employee & Family Benefits	8
Employee Learning Services	19
Employment Equity	1
Government Employee Health Services	16
Human Resource Development Initiative	4
Illness & Injury	12
Labour Relations	23
Payroll Operations & Information Management	50
Policy, Plan & Workplace Innovation	13
Safety, Workers' Compensation & Benefit Programs	18
Staffing	17
Systems Services	11
Workplace Innovations & Awards	4
Total	**234**

Age & Gender



Commission's Roles and Services

Vision, Mission and Values

As set down in the 2001/2004 Performance Plan of the Commission, the Vision of the Commission is:

The government of British Columbia is:

- a preferred employer that attracts and retains people with talent and commitment to the public service.

The public service is:

- dedicated to, and accountable for, delivering programs and services to British Columbians;
- non-partisan and respected for its adaptability, innovation, knowledge and skills; and
- representative of the diversity of the province.

The Mission of the Commission is to support the British Columbia public service in the effective delivery of programs and services by:

- providing corporate leadership for human resource management and planning;
- establishing the framework in which regulatory requirements are fulfilled; and
- delivering corporate human resource services.

The Commission has articulated values that guide its delivery of services and programs:

- The Commission is professional and non-partisan, working collaboratively and in partnership as the representative of government as the employer.
- We are innovative, strategic, thoughtful and well-advised.
- We are accountable for results.
- We treat others with dignity and practice what we preach.
- We support continuous learning and have a priority to communicate to our clients.

Core Services Review

The Core Services Review for the Commission, completed in October 2001, endorsed a new mandate for the Commission. Under this new mandate, the Commission provides leadership and governance in human resource management and assists the public service to effectively deliver programs and services to British Columbians.

The Commission's Core Services Review also endorsed two strategic shifts for the Commission:

- Initiate immediate and significant workforce adjustment.
- Develop a sustainable human resource strategy to support the Renewal of the public service.

The review of core services and the budget development process focuses on making government programs and services as effective, relevant and affordable as possible for all British Columbians. Workforce adjustment is a significant step toward restoring sound fiscal management.

Public Service Renewal is an overarching strategy to rebuild and sustain a professional public service through an integrated and comprehensive program of initiatives designed to:

- ensure effective human resource governance and policy frameworks;
- create proactive and visionary leadership;
- establish human resource standards and practices to establish a performance focused workforce;
- create a flexible and motivating work environment;
- ensure that the public service is a learning and innovative organization; and
- provide for progressive employer-employee relations.

Core Business Areas and Programs and Services

The Commission's mandate for the management and administration of the BC Public Service is established through the *Public Service Act*. The Commission is also responsible for the *Public Service Labour Relations Act* and the *Public Service Employee Benefit Plan Act*.

Workforce Adjustment

Over a three-year period, the public service will be reduced by up to 11,550 positions through program closures and reductions, contracting out of services, privatization of services, devolution of government programs or services, and transferring employees to another form of government entity.

The fiscal year 2001/2002 was a time of active workforce adjustment. A total of 2,817 employees were declared surplus, with the majority in January of 2002. The Commission and ministry staff worked to effect as many placements into vacant positions as possible. As of March 31, 2002, there were 171 surplus employees placed.

The Commission plays a key role in the development of workforce adjustment strategies and procedures, including those related to voluntary exit programs. Two voluntary exit programs were offered: Early Retirement Incentive Program (ERIP) and Voluntary Departure Program (VDP). Voluntary exit programs help meet overall workforce adjustment targets.

The programs have been well received to date, with 2,877 employees participating in the first approved exit window (January 2 – March 31, 2002). Without these programs, a much larger number of employees would have received lay-off notice, and the subsequent workforce adjustment process would have been extended considerably.

The combined cost of the two programs (ERIP and VDP) to March 31, 2002 was $81.2 Million. Savings associated with the voluntary programs to March 31, 2002 were minimal, as most employees' last day on pay was March 31, 2002. Consequently, the majority of savings will be realized in fiscal year 2002/03.

The Workforce Adjustment team provides change management advice to assist ministries with workforce adjustment, including establishing and implementing guidelines and policies, and managing the overall process. The Commission assists ministries with or co-ordinates placement activities.

The Commission provides expert advice on the application of collective agreement provisions having a bearing on workforce adjustment activities. It represents the employer on the Joint Union/Management Workforce Adjustment Steering Committee, the Layoff/Recall Joint Committee and the Privatization Joint Committees.

To support workforce adjustment activities in January 2002, the Commission provided training for managers in communicating employment status, announcement day support and consulting, and transition workshops. Transition training was provided to 384 managers across the province. Support was provided in 46 communities, including eight ministries, entities of the Premier's Office, Royal BC Museum and Elections BC. The Commission delivered 158 workshops on coping with transition – job search, resume preparation and interview coaching – to approximately 2,300 employees in 43 communities throughout the province. Similar workforce adjustment services will continue in fiscal 2002/03.

Staffing

Overview

The authority to hire under the *Public Service Act* rests with the Commissioner, while individual ministries carry out the actual hiring. The Commission develops hiring standards and policies, and works with ministries and agencies on staffing approaches and on appeals of staffing decisions to the Public Service Appeal Board.

The Commission publishes *Postings*, a description of vacant positions in the public service, on its Website www.gov.bc.ca/pserc. It also coordinates all outside advertising activities related to staffing.

Year in Review

In August 2001, amendments to the *Public Service Act* created the Office of the Merit Commissioner with the responsibility to monitor public service appointments and to report on whether the merit principle was properly applied.

The Commission is reviewing recruitment and selection processes and guidelines in order to become more effective and responsive to the business practice of the public service.

There were 1,486 competitions posted, covering 1,641 regular positions, of which 923 were in-service and 718 out-of-service. An additional 169 temporary competitions were posted covering 177 appointments.

Of the 87 appeals of hiring decisions and of the 12 that went before a hearing, four were granted while eight were denied. The remainder were settled without a hearing or through a pre-hearing decision.

Referrals from the Recruitment Access Offices resulted in the hiring of 605 applicants — 401 in Victoria, 165 in Vancouver and 39 in Prince George. Of these, 229 or 38 per cent were from equity groups.

An Executive Liaison function, established in June 2001, coordinated the recruitment of 12 executives who were hired under Orders in Council.

Corporate funding for the Public Service Youth Hire program that was to expire March 31, 2001, was extended for an additional year. From April 2001 to February 2002, 975 youth were hired under the Co-op and Youth Employment Programs. The Commission funded 113 and the ministries funded 863. Twenty-five interns were hired for 48 week terms. Priority was given to positions that offered career-stream experience and those where there were market shortages.

Positions continued to be filled using the Applicant Inventory System until March 31, 2002, when the system was decommissioned. The Public Service Renewal Project and a human resources reorganization will result in a new e-recruit system.

The Victoria, Vancouver and Prince George Recruitment Access Offices were closed, effective January 17, 2002, due to workforce adjustment and the anticipation of limited auxiliary hiring in the near future.

Selection standards were completed for several major job categories such as Food Production Services, Communications Officers, Information Systems, Human Resources, Biologists, Economists and Research Officers. Revised selection standards were introduced into several other major job categories, including Public Health Inspectors, STOs (non resource), Trades, and Childcare Counsellors. In total, we established 41 series standards: five are ready to be published and 37 others are in various stages of development.

As part of the Best Practices Staffing and Marketing Initiative, we developed marketing strategies for finance and auditor positions, as well as a test bank for financial positions in partnership with the Financial Recruitment and Retention Committee.

Employment Equity and Diversity

Overview

The *Public Service Act* provides for the recruitment and development of a well-qualified and efficient public service that represents the diversity of the people of British Columbia. The Commission assisted ministries and agencies by developing employment equity policies and programs to remove barriers and to provide opportunities to traditionally disadvantaged groups. The Commission also assisted ministries in evaluating the effectiveness of their efforts and to adjust imbalances in their workforce.

Equity and diversity programs are aimed at four under-represented groups in government — aboriginal peoples, visible minorities, persons with disabilities, and women in non-traditional occupations.

Year in Review

Government tracked the representation of the equity groups in the public service since January 1994. Between January 1994 and January 2002, the representation among regular employees has changed as shown below:

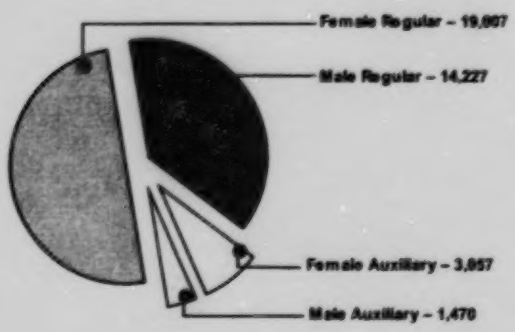
	January 1994 (%)	January 2002 (%)	Available BC Labour Force (%)
Aboriginal People	1.6	2.1	3.3
Visible Minorities	5.3	7.3	13.5
Persons with Disabilities	6.7	5.4	5.5
Women at ML 9 – 12	25.5	34.2	36.0

The slow rate of progress in increasing overall representation is related to the large size of the public service, relatively low annual turnover rates and the number of posted vacancies that are limited to in-service applicants. In addition, the "persons with disabilities" category only includes people who have a disability when they are hired. Those who acquire a disability while employed in the public service are generally not captured. Thus the percentage in this category is lower than the actual representation.

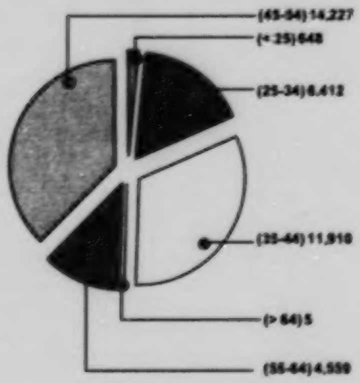
Recently, progress has been made in hiring aboriginal people and visible minorities. Between January and July 2001, 3.6 per cent of newly-hired employees in regular positions were aboriginal and 12.8 per cent were visible minority.

The equity and diversity program is now 10 years old and sufficiently mature to be integrated into the way human resources are managed throughout the public service. The Commission will no longer have a separate branch focusing on equity and diversity; instead, staff throughout the Commission will provide expertise relating to this area.

Gender — Public Service Employees (March 30, 2002)



Age — Public Service Employees (March 30, 2002)



Employee Development

Overview

The Public Service Renewal project has identified employee learning and development as a critical element in revitalizing the public service. Employee Learning Services provide government-wide employee learning (corporate learning) priorities. The Commission manages learning opportunities linked to government strategic directions and ministry business needs. In addition, ministries provide technical training specific to each ministry's mandate. Staff learning and career management programs encompass assessing government-wide learning needs, providing competency-based learning programs and evaluating the success of programs.

Employee Learning Services' responsibilities include:

- developing and implementing a corporate learning strategy;
- managing the Public Service and Information Technology Learning Funds;
- managing the planning, procurement and delivery of competency-based corporate learning programs, products and services; and
- establishing corporate learning policies.

Year in Review

The Employee Learning Services Branch implemented a newly created $8 million Public Service Learning Fund in fiscal 2001/2002. This fund supported delivery of corporate learning programs in finance, human resources, supervisor training, and equity and diversity. New learning projects included:

- creation of a management leadership development program;
- development of new financial training on performance measurement and accountability;
- purchase of a Hay Group competency framework for the British Columbia government;
- support of the Public Service Renewal project;
- workforce adjustment services and training programs;
- implementation of new training courses on executive and employee change management;
- development of Web-based Corporate Human Resource Information and Payroll Systems (CHIPS) training; and
- senior management (DM/ADM) orientation, management forums and satellite presentations.

The Commission consulted with ministries on the development of a corporate learning strategy that will be completed in June 2002. This strategy will address recommendations from the Auditor General's 1999 report "Maintaining Human Capital in the Public Service". It identifies core learning elements that support government direction and changes to human resources service delivery structure.

Employee Learning Services offered 389 courses to 9,038 employees. An additional 174 professional IT staff received 1,296 information technology courses. Fourteen learning activities were offered using satellite technology.

Employee Involvement, Recognition and Innovation

Overview

Three programs encourage employee initiative and creativity in order to improve performance, reduce costs, and increase employee satisfaction.

- Employee Recognition Program provides taxable awards of up to $2,000 per employee for improvements resulting from adopted employee ideas or successful, team-based work process review projects;
- Public Service Awards Program provides awards in a range of categories critical to the success of the public service; and
- Staff Appreciation Awards Program enables fast nominal recognition for excellent performance.

Year in Review

As in 2000/2001, more than 20 per cent of employees received formal recognition for innovation or excellence.

In 2001, the Public Service Awards Program held luncheons in Victoria, Prince George and Vancouver. A total of 305 nominations were submitted, covering 2,562 employees, while 144 of the nominations received awards that were shared by 1,229 employees. A new program will replace this program in 2002/03.

More than 10,000 employees received staff appreciation recognition in 2001, while the Employee Recognition Program paid awards of $130,000 to 177 employees, who were responsible for 39 improvements that produced over $55 million in net annual benefits (cost savings, revenue, and productivity gains).

Policy and Planning

Overview

The Commission develops and implements policies and guidelines related to terms and conditions of employment and the effective management of public service human resources. It prepares draft legislation, regulations and policy directives for the approval of the Minister Responsible for the Public Service.

The Commission provides ongoing policy advice and project support to the human resource community and to the Deputy Ministers' Committee on Human Resources. It provides research, analysis, and advice on human rights, ethics, and standards of conduct.

Year in Review

As a result of the Core Services Review and budget reductions, a smaller workforce will conduct government business. Therefore, it is essential that human resources be managed to promote superior performance from all employees.

The Commission is developing a plan to use a competency model in human resource management.

Policy preparation, research and analysis included:

- revision of five policies;
- creation of an amendment package that includes all amendments to policies from August 31, 1998 to July 13, 2000; and
- responding to numerous research inquiries and surveys from other jurisdictions.

The Commission is supporting government's goal of a one-third reduction in regulations by June 5, 2004, and is reviewing and streamlining all policies under its jurisdiction. The staffing and equity and diversity policies are the first to be examined.

The Commission manages four Human Resource Advisor Trainees. The trainees are completing a three-year developmental program to gain training and experience as human resource professionals.

Labour Relations

Overview

The Commission provides comprehensive negotiation and labour relations services and ensures that government objectives are met in negotiation with public service unions and professional associations. Staff provide direction, advice and support to ministries and agencies on the interpretation and application of collective agreements.

The Commission represents the government on matters arising out of collective agreements and employment-related legislation at arbitration and before the Labour Relations Board and other administrative tribunals. The Commission also provides negotiation assistance to other public sector employers.

Year in Review

The early months of the past fiscal year involved a significant dedication of resources to implementing the recently concluded BCGEU, PEA and BC Ambulance collective agreements. The Commission delivered information sessions for managers and supervisors in eleven locations throughout the province.

The Queen's Printer and the Council of Graphic Arts Unions reached a new collective agreement. This agreement, running from July 1, 2001 to June 30, 2004, includes wage increases similar to those under the BCGEU agreement reached earlier in the year (i.e., first year: $0.70/hour; second year: 2.5%; and third year: COLA increase).

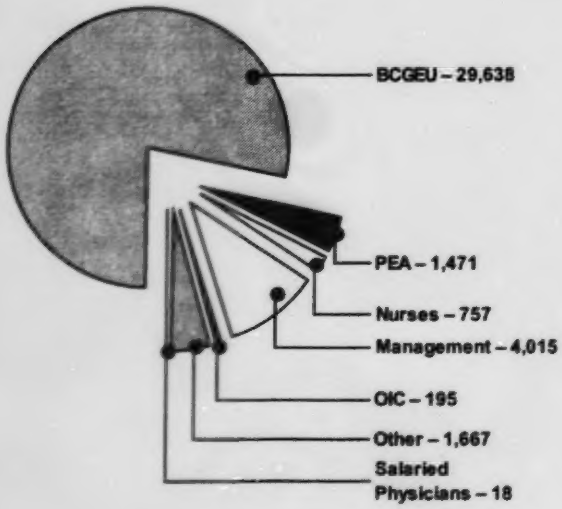
Collective agreements were amended as necessary to reflect restructuring introduced by the new government.

Discussions continue for the renewal of the Public Service Nurses collective agreement, which expired December 31, 2001. One of the employer's objectives of standardizing terms and conditions of employment, aside from wage rates, has already been achieved, along with the objective of greater flexibility around hours of work.

The Commission concluded an agreement with the salaried physicians in the public service. This agreement, last negotiated in 1992, addresses salaries and other terms of employment for salaried physicians.

Approximately 723 grievances from four bargaining units (BCGEU, Nurses, PEA, and Queen's Printer Council of Graphic Arts Unions) that were not resolved at the ministry level were filed at

Employee Group — Public Service Employees (March 30, 2002)



arbitration. Including previous years' grievances, 1,021 went to expedited arbitration, utilizing 28 hearing-days in four locations. Forty-five expedited arbitration awards were issued. Most of the remaining were settled, withdrawn or adjourned by the parties before the hearings. The Commission was also party to 24 formal arbitration awards.

The Commission continued to provide labour relations specialists to deliver training on Effective Discipline, Fundamentals of Supervision, and Contract Management to supervisors and managers in ministries.

Classification and Organization

Overview

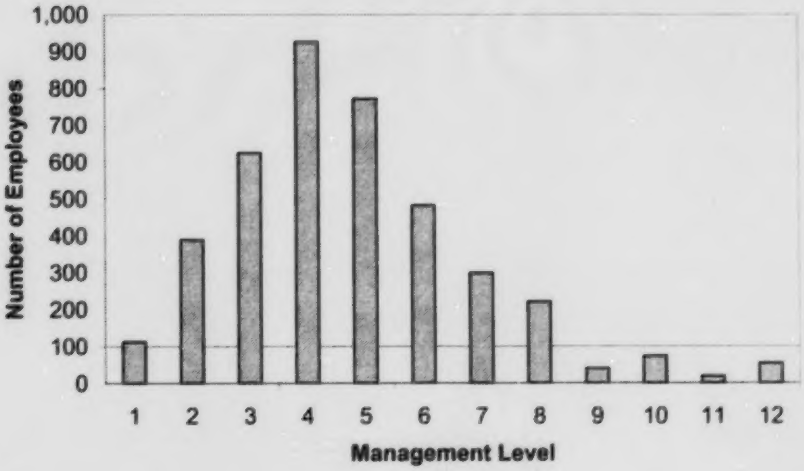
The Commission develops and maintains job evaluation and compensation plans for use across government. It has responsibility for ensuring that job evaluation plans are implemented equitably in all ministries and agencies that are governed by the *Public Service Act*.

Job evaluation is a formal process by which management determines the relative value of different jobs within an organization. This relative value determines the appropriate salary.

The Commission is responsible for consultation with bargaining unit representatives in the construction of job evaluation plans and for the design and implementation of management plans and administration of related compensation policy.

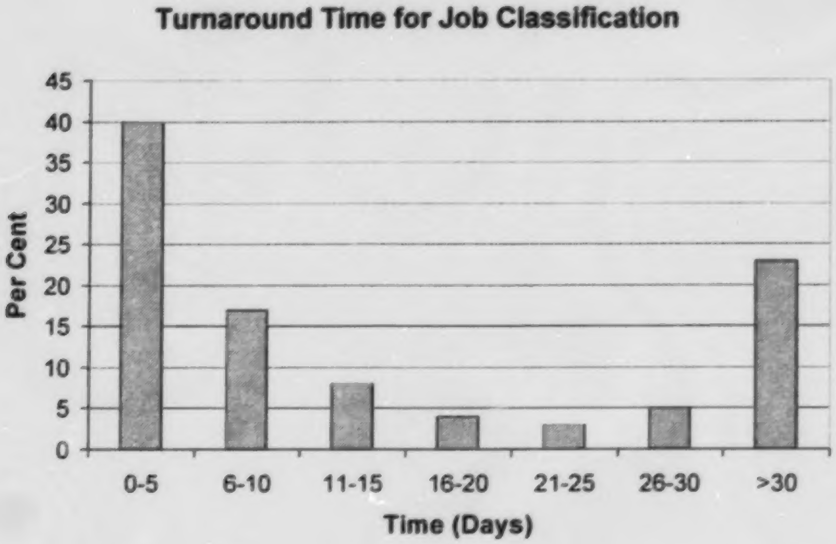
The authority to evaluate jobs is vested in the Commission and is delegated to designated ministry staff. To accomplish equitable application of job evaluation plans, the Commission trains ministry personnel, monitors the application of the various plans, and conducts random audits. Inter-ministry teams of subject-matter experts conduct some job evaluations.

Employees in Management Level Positions



Year in Review

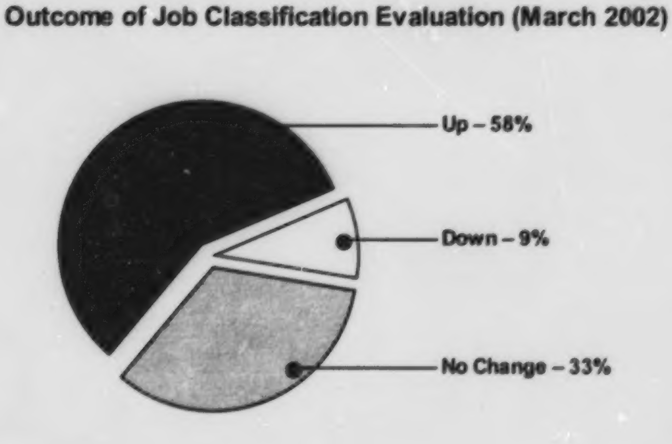
Over the year, the Commission finalized 86 classification appeals through dispute resolution processes. The Commission completed approvals for 1,143 classification review requests for non-delegated positions. Of these decisions, 69 per cent were completed within 20 days.



The Public Service Job Evaluation Plan, which covers the largest group of employees, was redesigned. This had the effect of expediting job classification for applicable job categories, while maintaining consistency and integrity in the application of the plan. This reconfiguration of the Job Evaluation Plan was followed by enhancements to supporting desktop tools. These steps streamlined and expedited the analytical processes in the classification cycle.

E-Class, a position-tracking and case-management application, was introduced late in the year to provide human resource practitioners and line managers with access to a government-wide repository of position information and documents, as well as an automated method to facilitate and accelerate the management of classification case files. When fully operational, this tool will reduce the time to create and classify positions by at least 50 per cent.

The improvements described above facilitated an increase in delegation to authorized officials in the ministries. This, too, had the effect of decreasing the time required to complete classification reviews, while maintaining the consistency of plan application.



Management compensation administration was a focal point this year. Firstly, the compensation salary range for deputy ministers was increased to reflect market demands. Secondly, a plan was designed for this same group to introduce variable compensation based on a performance management process. This process design is complete and ready for implementation in 2002.

Employee Benefits

Overview

The Commission is responsible for the development, implementation and management of public service employee benefit plans and programs. These cover all eligible employees who are at work or on disability benefits. Some benefits also apply to retired employees. The Commission manages and administers the benefit plans, develops policy, and negotiates service delivery contracts with the benefit carriers. The Commission also provides consultative and administrative services to the public service and to participating public sector agencies.

Funding for the benefits is recovered as a percentage of payroll from the ministries. Crown corporations, agencies, boards and commissions that participate in these plans pay the costs of the benefits provided to their employees either by premium or payment of actual costs. The Commission collects premiums from employees on lay off or leave without pay to continue coverage for certain benefits.

Great West Life is the private insurance carrier for Group Life and Long Term Disability, while Pacific Blue Cross is the carrier for Extended Health and Dental plans. Basic medical coverage is through the Medical Services Plan of British Columbia.

Employee and family benefits include: Group Life Insurance, optional spouse and dependent group life coverage, Air Travel Insurance, Extended Health and Dental Benefits, Deferred Salary Leave Program, Medical Services Plan of British Columbia, Employee Benefit Trust, and Judicial Benefit Trust.

Illness and injury benefits include: Weekly Indemnity providing income to auxiliary employees while sick; the Short Term Illness and Injury Plan, which is designed to continue part of employees' earnings if they are unable to work due to illness or injury for up to seven months; and the Long Term Disability Plan that provides employees with income if they are disabled due to illness or injury for longer than seven months.

The Commission's Managing Health Related Absences Program facilitates the return to work of ill or injured employees and helps to control claim costs. This program focuses on early intervention, disability case management, work and worksite accommodations, and retraining and alternate placement.

Employees who are injured as a result of work-related accidents receive Workers' Compensation benefits. The Commission represents ministries before all levels of the WCB appeal system, undertakes claims management and related administrative services, and assists ministries in developing accident prevention programs, managing WCB claims, and ensuring compliance with WCB regulations.

The BC Employee and Family Assistance Program (BCEFAP) provides confidential, professional short term counseling and referral services to employees and their families to resolve problems that affect their personal lives and, in some cases, their job performance. BCEFAP also provides a coaching line service to ministry supervisors to assist them in dealing with employees with personal problems. A standard protocol enables ministries to obtain Critical Incident Response Services (CIRS), when required. Brown Crawshaw Inc., an external provider, is contracted to deliver these services.

Government Employee Health Services (GEHS) provides clinical rehabilitation and occupational medicine assessment services to employees and their ministries to support the corporate disability management program and the joint union/employer rehabilitation committee, and to assist ministries in responding to employee health matters. The GEHS early medical intervention program targets high-risk disability cases early in the absence of, or prior to an injury becoming disabling. Through close evaluation of disabling factors and review and management of treatment issues, occupational health nurses identify opportunities for safe and timely return to work and resolve workplace safety issues, thus reducing or preventing absences.

GEHS occupational health knowledge and skills contribute to corporate program and policy development, building healthy workplaces and protecting workplace safety. GEHS manages and delivers pre-placement medical screening programs for safety sensitive occupations within government service.

As a requirement of the *Public Service Benefit Plan Act*, the Commission also produces a separate annual report to the Legislative Assembly concerning designated benefit programs.

Year in Review

The Commission continued development of occupational health and safety programs. Two programs, developed in partnership with the Employer's Advisors Branch, Ministry of Skills, Development and Labour, assist ministries to understand and respond to WCB Inspections.

In partnership with the BCGEU, Office Ergonomics training continued and a new publication, *Workplace Guidelines for the Prevention of Musculoskeletal Injuries*, will be distributed to safety committees and supervisors in all public service workplaces in May 2002. Development of two new guides: *Emergency Preparedness and Response* and *Infectious Disease Control* are near completion and will be implemented in 2002/03. As part of the infection control initiative, the Commission modified pre-exposure vaccination procedures to enhance the effectiveness of the existing Hepatitis B vaccination program.

The WCB claims management initiative, implemented in September 2000, continues to generate savings through effective appeals representation, pro-active management of longer term WCB claims, and pursuit of cost recovery opportunities. The program achieved an appeals success rate of approximately 75% during 2001/02, its first full year of operation, compared to 45% prior to the initiative. WCB claims lasting more than two months were reduced by one-third. Direct and indirect savings during 2001/02 totaled more than $2 million. In addition, a WCB claims and case management training package was developed and piloted in several ministries.

The BC Employee and Family Assistance Program provided counseling services to 2,809 employees and 1,457 family members in 2001/02. A follow-up survey of clients found that 79% felt that their overall life situation improved as a result of the BCEFAP services. Across the province, 252 ministry supervisors received Early Intervention Dividend training. The workshops are well received and provide supervisors with helpful information to support and assist employees. BCEFAP also delivered 37 Coping with Change workshops to employees throughout the province.

Transition support and advisory services were provided for staff of ministers' offices following the change of government in June.

The Commission, through GEHS, supported the Ministry of Human Resources behavioural disability management program and provided ergonomic workplace job coaching, in specialized cases, to reduce sick leave.

Pre-placement medical standards for correctional officers were amended to integrate changes in job demands and legal requirements.

The Commission put the administrative contract for Long Term Disability to public tender and the Great West Life Assurance Company was the successful vendor.

The Commission began development of the REHAB (Rehabilitation, Employee Health and Benefits) integrated, disability information management system to streamline disability benefit administration and personnel management functions to support the rehabilitation and early return to work of ill employees.

The Commission continued delivery of a training program for managers on disability case management to hundreds of employees throughout the province, as well as providing dedicated sessions to many ministries.

The Commission continued its disability case management support that showed a reduction of long term disability claim duration by three months since 1995 for an annual direct saving of $2.5 million and a $12 million saving in future liabilities.

Central Payroll and Human Resource Information

Overview

The Commission operates, supports and maintains the PeopleSoft8, Corporate Human Resource Information and Payroll System (CHIPS). The Commission also manages corporate reporting and other corporate applications including E-Classification.

CHIPS, the integrated human resource and payroll management system, has been used across government since December 1995. The system supports all aspects of human resources including payroll, recruitment, leave, time reporting, benefits and training administration. Commission staff provide ongoing CHIPS support and training for about 1,800 employees in ministries and agencies throughout government.

Year in Review

The Commission is responsible for providing leadership for the business of payroll standards across government. A Web-based corporate Payroll Administration Manual was implemented, which set data entry and workflow standards for payroll.

In February 2002, the Commission upgraded to PeopleSoft8, a 100 per cent web-enabled application. This will provide the Commission with the infrastructure to deploy e-government functions via employee and manager self service.

The Commission is providing technical leadership and operational support for two new human resource systems:

- e-classification system; and
- workforce adjustment system.

The Commission also developed and implemented web based training simulation modules to be used in training Human Resource and Payroll employees in the CHIPS system.

The Commission managed 26 payruns, processing $1.6 billion of payroll and generating T4s for all government employees. CHIPS had 99.9 per cent availability to clients.

Operationally, the Commission completed multiple projects to ensure continued operations of CHIPS 4 application including:

- implementation of collective agreement changes for BCGEU, PEA, Nurses and other groups;
- income tax changes; and
- fiscal year end, service seniority, annual leave entitlements and other initiatives.

Corporate Services

Overview

The Corporate Services branch provides a full range of budget, financial, administrative, human resource, records management, and general operational support services to the Commission and government-wide corporate programs.

Year in Review

The Commission provided the same corporate services to the Ministry of Multiculturalism and Immigration and the Commission's programs prior to the change in government, and provided transition services while the ministry disbanded.

Staff provided budget, financial, and administrative support for all aspects of workforce adjustment across government, including voluntary exit programs and involuntary severances.

Communications and Freedom of Information

Overview

Communications staff disseminate information on the Commission's programs and activities on behalf of the government and the public.

The Commission's only professional communications staff person departed in mid-year and was not replaced. The Public Affairs Bureau and staff from the Ministry of Management Services provided communications services.

Commission personnel continued to prepare briefings for the minister, responded to media requests and performed other communications functions.

The Commission is responsible for processing Freedom of Information requests.

Year in Review

The Commission supports government's commitment to help identify, report, and eliminate government waste. The Commission processed 279 suggestions for the Wastebuster Project. Common themes from submissions to the Commission include:

Number	Suggestion
22	Reform the way government delivers severance packages and/or eliminate severance packages all together
11	Close non-essential government offices over Christmas holidays to save money on electricity and heat
11	Offer government employees the option of a four-day work week to save money on wages
9	Reform Long Service Awards and Employee Recognition Program so they operate more efficiently and at less cost
7	Eliminate flex-time across government
7	Develop an electronic version of pay stubs rather than printing off a copy for each employee in government

The Commission is currently bringing its Web presence up to government standards to support future e-government initiatives.

The Commission processed 34 Freedom of Information requests. They were from individuals (28), media (3), law firms (1) and researchers (2).

Several of the requests in the "individual" category were sent to all ministries and pertained to information on government expenditures. Other individual requests were for information from personal files, or for a labour relations issue. Media requests focused on severance arrangements for deputy ministers and the future of the Commission.

Systems Support

Overview

This program area provides a wide range of operational support and administrative services critical to the Commission's efficient and effective operation. It maintains the Commission's computer infrastructure and develops and implements computer applications.

Year in Review

The Commission maintained and improved infrastructure at headquarters and remote offices across the province.

The Commission introduced new inventory and problem management software to track incident management and change control. This was done within the framework of the IT Infrastructure Library standards.

Update on New Era Commitments

Merit Legislation

The Commission was charged with passing merit employment legislation to restore a professional, non-partisan public service. Government passed merit employment legislation in the spring 2001 session. It created the position of Merit Commissioner, responsible for conducting random audits of public service appointments to determine that the competition process resulted in appointments based on merit.

The Premier charged the Minister responsible for the Commission with defining the role of the Merit Commissioner in his June 25, 2001 letter providing direction to Ministers. The Office of the Merit Commissioner was up and running in October 2001 and merit audits began in November 2001. In February 2002, the Office of the Merit Commissioner also undertook a survey of public service employees' attitudes to merit in the public service. The first report of the Merit Commissioner will be tabled in the legislature in May 2002.

Strategy for Recruitment & Retention of a Professional Public Service

This was another key project charged to the Commission. As discussed in the section describing the outcome of the Core Services Review for the Commission and the Public Service Renewal initiative, a comprehensive plan of initiatives is underway to rebuild and sustain a professional and qualified public service.

Performance Reporting

Based on the Commission's vision and mission, the Commission set the following goals for the years 2001 to 2004:

- to provide leadership and direction to human resource planning in government;
- to ensure that government human resource priorities and needs are met;
- to provide a consistent and standardized human resource regulatory environment that is clearly understood and applied;
- to ensure that human resource management information is utilized as a strategic resource and government reporting needs are met; and
- to promote the public service as one of the best places to work in British Columbia.

Given the nature of the Commission's organization, several core business areas contribute to the achievement of each goal and the associated objectives. For example, all business areas are to some degree involved in workforce adjustment. Consequently, due to the integrated nature of the Commission's service delivery approach, it is not possible to specifically assign any particular goal and objective to a single business area within the Commission. Each business area contributes to the achievement of the goals of the Commission.

Following is a table outlining the Commission's goals, key objectives and strategies, the performance measures, and a description of accomplishments:

Goals & Objectives	*Performance Measures*	*Accomplishments*
GOAL — leadership and direction to human resource planning in government. Key objectives and strategies include the development and implementation of human resource plans.	Government-wide human resource strategic plans are in place.	A corporate human resource plan has been developed and is in place. A Public Service Renewal strategy and plan has been developed and is being implemented. Each Ministry is developing a ministry human resource plan to be published in 2002.

Goals and Objectives	*Performance Measures*	*Accomplishments*
GOAL — Government human resource priorities and needs are met. Key objectives and strategies include: • a competent public service through continuous learning; • effective human resource practices, processes and systems; and • a safe and healthy workplace.	Percentage of the workforce participating in training. Statistics related to separation rates and absence management program indicators[1].	A major initiative is underway to develop a comprehensive, integrated Corporate Learning Strategy that specifically links government needs and requirements to employee development and training. A comprehensive review of all human resource policy and practice areas is underway with early priority on staffing and classification. A key renewal project goal is to develop and establish an integrated "safe and healthy workplace" strategy.
GOAL — a consistent and standardized human resource regulatory environment that is clearly understood and applied. Key objectives and strategies include: • clarification of roles and responsibilities and establishment of accountability frameworks; • consistent human resource standards and policies; and • successful negotiation and administration of collective agreements.	Review of roles and responsibilities and establishment of an accountability framework, including delegation and monitoring and audit.	A key outcome of the human resource organization project is the development of an effective and responsive accountability framework. The human resource organization project team has completed an analysis of current human resource functions and operations. This information will be used in the development of the functional and service delivery structure of the new human resource organization.

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[1] Monitoring and reporting of these measures was put on hold pending the major new direction and reform of corporate training and development and health and wellness management under the renewal project.

Goals & Objectives	*Performance Measures*	*Accomplishments*
GOAL — human resource management information is utilized as a strategic resource.	Human resource management strategy in place.	A large-scale comprehensive initiative is currently underway under the auspices of the renewal project and the human resource organization project to develop a corporate Human Resource Information System.
GOAL — the public service is promoted as one of the best places to work in British Columbia.	Number of employee recognition program awards and staff appreciation awards.	A review of the public service recognition, awards and incentive programs is currently underway.

For the last six months of the 2001/02 fiscal year, the Commission redirected its work to the implementation of the strategic shifts endorsed by its Core Services Review. The Commission's business underwent a fundamental refocusing on the strategies of workforce adjustment and public service renewal. Significant strides were made in initiating these new directions, while continuing to meet ongoing operational requirements.

The Commission implemented a comprehensive workforce adjustment strategy. The strategy is aimed at aligning provincial government staff resources with core service needs, reprofiling the public service, and reducing long term costs to help reduce the province's structural deficit. The workforce adjustment strategy will maximize options and assistance for eligible employees who wish to leave the public service voluntarily, while also minimizing layoffs. In this respect, the Commission developed and introduced a voluntary departure program. It also supported and assisted Ministries in moving through the first round of budget mandated program reductions.

In the six months following the realignment of the Commission's mandate as a result of the Core Services Review, the Commission devoted considerable energy to the Public Service Renewal initiative. The first phase of renewal involved broad consultations throughout all levels of the public service to identify public service renewal priorities. Following these consultations, the renewal project established goals for renewal and a multi-year implementation plan for Public Service Renewal.

Key renewal strategies include:

- flexible and responsive hiring processes based on merit;
- compensation systems that reward performance and give managers more flexibility;
- effective training programs to meet new skill requirements; and
- executive and management development programs.

During this same period, the Commission also developed a structure for a new human resource organization to most effectively provide leadership, governance and management of the public service.

Report on Resources

2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
HR Strat. & Pol.	3,737	0	3,737	2,824	913
Org. Dev.	1,860	0	1,860	1,431	429
Compensation	1,377	0	1,377	1,305	72
Labour Relations	2,365	0	2,365	2,822	(457)
Corp. Serv. & Syst.	2,574	0	2,574	2,899	(325)
One Time Funding	14,201	32,601	46,802	47,433	(631)
Total Vote	26,114	32,601	58, 715	58,715	0
Full-time Equivalents (FTEs)					
Total	259	0	259	269	(10)
Ministry Capital (Expenditures) ($000)					
Information Systems	1,771	0	1,771	1,445	326
Other	470	0	470	158	312
Total	2,241	0	2,241	1,603	638
Consolidated Capital Plan Expenditures ($000) N/A					
Other Financing Transactions (Net Disbursements) ($000) N/A					

Various cost measures were initiated in 2001/02 to facilitate achievement of budget reduction targets for 2002/03. Most of the positions that are now vacant or will become vacant through voluntary departures are not being filled. As of March 31, 2002, the Commission staff was reduced by 28 through voluntary departure programs, unfilled vacancies, and layoffs.

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Public Service Profile

PUBLIC SERVICE EMPLOYEES BY EMPLOYEE GROUP — March 30, 2002

	TOTAL	% OF GOVERNMENT
BARGAINING UNIT		
BC GOVERNMENT AND SERVICE EMPLOYEES' UNION (BCGEU)	29,638	78
PROFESSIONAL EMPLOYEES ASSOCIATION (PEA)	1,471	4
NURSES	757	2
TOTAL BARGAINING UNIT	**31,866**	**84**
EXCLUDED		
MANAGEMENT	4,015	11
OIC	195	<1
OTHER	1,667	4
SALARIED PHYSICIANS	18	<1
TOTAL EXCLUDED	**5,895**	**16**
TOTAL GOVERNMENT	**37,761**	**100**

Public Service Profile

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SALARIED PHYSICIANS	18	<1
TOTAL EXCLUDED	**5,895**	**16**
TOTAL GOVERNMENT	**37,761**	**100**

PUBLIC SERVICE EMPLOYEES BY MINISTRY — March 30, 2002

	NUMBER	% OF GOVT.	AVERAGE ANNUAL SALARY($)
ADVANCED EDUCATION	**338**	**<1**	**48,100**
AGRICULTURE, FOOD & FISHERIES	326	<1	53,100
ATTORNEY GENERAL & TREATY NEGOTIATIONS	**3,706**	**10**	**49,900**
CHILDREN & FAMILY DEVELOPMENT	5,125	14	47,400
COMMUNITY, ABORIGINAL & WOMEN'S SERVICES	**1,119**	**3**	**48,100**
COMPETITION, SCIENCE & ENTERPRISE	270	<1	55,000
EDUCATION	**382**	**1**	**49,700**
ENERGY & MINES	339	<1	52,300
FINANCE	**600**	**2**	**52,700**
FORESTS	3,572	9	49,400
HEALTH PLANNING	**34**	**<1**	**61,000**
HEALTH SERVICES	1,741	5	45,600
HUMAN RESOURCES	**3,097**	**8**	**41,800**
MANAGEMENT SERVICES	1,057	3	53,000
PROVINCIAL REVENUE	**754**	**2**	**48,200**
PUBLIC SAFTEY & SOLICITOR GENERAL	2,850	8	44,500
SKILLS DEVELOPMENT & LABOUR	**350**	**<1**	**50,500**
SUSTAINABLE RESOURCE MANAGEMENT	1,423	4	49,400
TRANSPORTATION	**2,135**	**6**	**46,900**
WATER, LAND & AIR PROTECTION	1,222	3	51,300
AUDITOR GENERAL	**89**	**<1**	**59,200**
BC ASSETS & LAND CORPORATION	241	<1	50,400
BC MENTAL HEALTH SOCIETY	**1,645**	**4**	**40,600**
BC PENSION CORPORATION	368	<1	43,200
CHILD, YOUTH & FAMILY ADVOCATE	**11**	**<1**	**53,700**
ELECTIONS	39	<1	47,800
ENVIRONMENTAL BOARDS & FOREST COMMISSIONS	**8**	**<1**	**50,300**
FOREST PRACTICES BOARD	37	<1	63,400
FOREST RENEWAL BC	**12**	**<1**	**58,300**
INFORMATION & PRIVACY COMMISSIONER	20	<1	64,000
LIQUOR DISTRIBUTION BRANCH	**3,559**	**9**	**36,600**
LODGE AT BROADMEAD	305	<1	37,200
OAK BAY LODGE	**303**	**<1**	**36,600**
OFFICE OF THE PREMIER	160	<1	61,400
OMBUDSMAN	**53**	**<1**	**59,300**
POLICE COMPLAINTS COMMISSIONER	5	<1	68,500
PRODUCT SERVICES	**324**	**<1**	**39,600**
PROVINCIAL CAPITAL COMMISSION	30	<1	41,300
PUBLIC SECTOR EMPLOYERS' COUNCIL	**3**	**-**	**80,600**
ROYAL BC MUSEUM	109	<1	45,400
TOTAL	**37,761**	**100**	**46,300**

* Salaries based on payroll data and rounded to nearest $100

PUBLIC SERVICE EMPLOYEES BY MINISTRY AND EMPLOYEE GROUP — March 30, 2002

		BARGAINING UNIT				EXCLUDED				AS % OF MINISTRY		
	TOTAL	NUMBER	BCGEU	PEA	NURSES	NUMBER	MGMT.*	OIC**	OTHER***	BARG UNIT	ALL EXCLUDED	MGMT
ADVANCED EDUCATION	**338**	**277**	**277**	**0**	**0**	**61**	**51**	**5**	**5**	**82**	**18**	**15**
AGRICULTURE, FOOD & FISHERIES	326	268	169	99	0	58	50	5	3	82	18	15
ATTORNEY GENERAL & TREATY NEGOTIATIONS	**3,706**	**2,186**	**2,186**	**0**	**0**	**1,520**	**447**	**12**	**1,061**	**59**	**41**	**12**
CHILDREN & FAMILY DEVELOPMENT	5,125	4,779	4,592	48	139	346	326	9	11	93	7	6
COMMUNITY, ABORIGINAL & WOMEN'S SERVICES	**1,119**	**892**	**884**	**8**	**0**	**227**	**202**	**9**	**16**	**80**	**20**	**18**
COMPETITION, SCIENCE & ENTERPRISE	270	136	136	0	0	134	119	7	8	50	50	44
EDUCATION	**382**	**300**	**300**	**0**	**0**	**82**	**66**	**4**	**12**	**79**	**21**	**17**
ENERGY & MINES	339	286	209	77	0	53	42	6	5	84	16	12
FINANCE	**600**	**214**	**214**	**0**	**0**	**386**	**277**	**7**	**102**	**36**	**64**	**46**
FORESTS	3,572	3,196	2,447	749	0	376	345	5	26	89	11	10
HEALTH PLANNING	**34**	**16**	**14**	**0**	**2**	**18**	**12**	**4**	**2**	**47**	**53**	**35**
HEALTH SERVICES	1,741	1,474	1,447	11	16	267	233	11	23	85	15	13
HUMAN RESOURCES	**3,097**	**2,928**	**2,928**	**0**	**0**	**169**	**155**	**4**	**10**	**95**	**5**	**5**
MANAGEMENT SERVICES	1,057	642	642	0	0	415	283	7	125	61	39	27
PROVINCIAL REVENUE	**754**	**603**	**603**	**0**	**0**	**151**	**75**	**4**	**72**	**80**	**20**	**10**
PUBLIC SAFETY & SOLICITOR GENERAL	2,850	2,611	2,576	1	34	239	212	11	16	92	8	7
SKILLS DEVELOPMENT & LABOUR	**350**	**187**	**187**	**0**	**0**	**163**	**113**	**42**	**8**	**53**	**47**	**32**
SUSTAINABLE RESOURCE MANAGEMENT	1,423	1,248	1,090	158	0	175	162	5	8	88	12	11
TRANSPORTATION	**2,135**	**1,901**	**1,778**	**120**	**3**	**234**	**213**	**4**	**17**	**89**	**11**	**10**
WATER, LAND & AIR PROTECTION	1,222	1,109	1,003	106	0	113	100	5	8	91	9	8
AUDITOR GENERAL	**89**	**1**	**1**	**0**	**0**	**88**	**77**	**0**	**11**	**1**	**99**	**87**
BC ASSETS & LAND CORPORATION	241	184	133	51	0	57	53	0	4	76	24	22
BC MENTAL HEALTH SOCIETY	**1,645**	**1,617**	**1,094**	**29**	**494**	**28**	**27**	**0**	**1**	**98**	**2**	**2**
BC PENSION CORPORATION	368	341	341	0	0	27	26	0	1	93	7	7
CHILD, YOUTH & FAMILY ADVOCATE	**11**	**0**	**0**	**0**	**0**	**11**	**5**	**0**	**6**	**0**	**100**	**45**
ELECTIONS	39	0	0	0	0	39	12	0	27	0	100	31
ENVIRONMENTAL BOARDS & FOREST COMMISSIONS	**8**	**3**	**3**	**0**	**0**	**5**	**2**	**0**	**3**	**38**	**63**	**25**
FOREST PRACTICES BOARD	37	13	13	0	0	24	21	1	2	35	65	57
FOREST RENEWAL BC	**12**	**5**	**5**	**0**	**0**	**7**	**7**	**0**	**0**	**42**	**58**	**58**
INFORMATION & PRIVACY COMMISSIONER	20	0	0	0	0	20	13	0	7	0	100	65
LIQUOR DISTRIBUTION BRANCH	**3,559**	**3,413**	**3,413**	**0**	**0**	**146**	**145**	**0**	**1**	**96**	**4**	**4**
LODGE AT BROADMEAD	305	293	260	3	30	12	11	0	1	96	4	4
OAK BAY LODGE	303	293	254	0	39	10	8	0	2	97	3	3
OFFICE OF THE PREMIER	160	24	24	0	0	136	71	28	37	15	85	44
OMBUDSMAN	**53**	**0**	**0**	**0**	**0**	**53**	**32**	**0**	**21**	**0**	**100**	**60**
POLICE COMPLAINTS COMMISSIONER	5	0	0	0	0	5	3	0	2	0	100	60
PRODUCT SERVICES	**324**	**301**	**290**	**11**	**0**	**23**	**21**	**0**	**2**	**93**	**7**	**6**
PROVINCIAL CAPITAL COMMISSION	30	27	27	0	0	3	3	0	0	90	10	10
PUBLIC SECTOR EMPLOYERS' COUNCIL	**3**	**0**	**0**	**0**	**0**	**3**	**2**	**0**	**1**	**0**	**100**	**67**
ROYAL BC MUSEUM	109	98	98	0	0	11	11	0	0	90	10	10
TOTAL	**37,761**	**31,866**	**29,638**	**1,471**	**757**	**5,895**	**4,033**	**195**	**1,667**	**84**	**16**	**11**

* Includes salaried physicians

** Order in Council appointments

*** Includes Schedule A employees exempted from the union due to confidential nature of work performed, legal counsel, articling students, senior exec secretaries, exec admin assistants, and judicial admin assistants

PUBLIC SERVICE EMPLOYEES BY MINISTRY — March 30, 2002

	NUMBER	% OF GOVT	AVERAGE ANNUAL SALARY($)
ADVANCED EDUCATION	**338**	**<1**	**48,100**
AGRICULTURE, FOOD & FISHERIES	326	<1	53,100
ATTORNEY GENERAL & TREATY NEGOTIATIONS	**3,706**	**10**	**49,900**
CHILDREN & FAMILY DEVELOPMENT	5,125	14	47,400
COMMUNITY, ABORIGINAL & WOMEN'S SERVICES	**1,119**	**3**	**48,100**
COMPETITION, SCIENCE & ENTERPRISE	270	<1	55,000
EDUCATION	**382**	**1**	**49,700**
ENERGY & MINES	339	<1	52,300
FINANCE	**800**	**2**	**52,700**
FORESTS	3,572	9	49,400
HEALTH PLANNING	**34**	**<1**	**61,000**
HEALTH SERVICES	1,741	5	45,600
HUMAN RESOURCES	**3,097**	**8**	**41,800**
MANAGEMENT SERVICES	1,057	3	53,000
PROVINCIAL REVENUE	**754**	**2**	**48,200**
PUBLIC SAFTEY & SOLICITOR GENERAL	2,850	8	44,500
SKILLS DEVELOPMENT & LABOUR	**350**	**<1**	**50,500**
SUSTAINABLE RESOURCE MANAGEMENT	1,423	4	49,400
TRANSPORTATION	**2,135**	**6**	**46,900**
WATER, LAND & AIR PROTECTION	1,222	3	51,300
AUDITOR GENERAL	**89**	**<1**	**59,200**
BC ASSETS & LAND CORPORATION	241	<1	50,400
BC MENTAL HEALTH SOCIETY	**1,645**	**4**	**40,600**
BC PENSION CORPORATION	368	<1	43,200
CHILD, YOUTH & FAMILY ADVOCATE	**11**	**<1**	**53,700**
ELECTIONS	39	<1	47,800
ENVIRONMENTAL BOARDS & FOREST COMMISSIONS	**8**	**<1**	**50,300**
FOREST PRACTICES BOARD	37	<1	63,400
FOREST RENEWAL BC	**12**	**<1**	**58,300**
INFORMATION & PRIVACY COMMISSIONER	20	<1	64,000
LIQUOR DISTRIBUTION BRANCH	**3,559**	**9**	**36,600**
LODGE AT BROADMEAD	305	<1	37,200
OAK BAY LODGE	**303**	**<1**	**36,600**
OFFICE OF THE PREMIER	160	<1	61,400
OMBUDSMAN	**53**	**<1**	**59,300**
POLICE COMPLAINTS COMMISSIONER	5	<1	68,500
PRODUCT SERVICES	**324**	**<1**	**39,600**
PROVINCIAL CAPITAL COMMISSION	30	<1	41,300
PUBLIC SECTOR EMPLOYERS' COUNCIL	**3**	**-**	**80,600**
ROYAL BC MUSEUM	109	<1	45,400
TOTAL	**37,761**	**100**	**46,300**

* Salaries based on payroll data and rounded to nearest $100

PUBLIC SERVICE EMPLOYEES BY MINISTRY AND EMPLOYEE GROUP — March 30, 2002

		BARGAINING UNIT				EXCLUDED				AS % OF MINISTRY		
	TOTAL	NUMBER	BCGEU	PEA	NURSES	NUMBER	MGMT.*	OIC**	OTHER***	BARG UNIT	ALL EXCLUDED	MGMT.
ADVANCED EDUCATION	338	277	277	0	0	61	51	5	5	82	18	15
AGRICULTURE, FOOD & FISHERIES	326	268	169	99	0	58	50	5	3	82	18	15
ATTORNEY GENERAL & TREATY NEGOTIATIONS	3,706	2,186	2,186	0	0	1,520	447	12	1,061	59	41	12
CHILDREN & FAMILY DEVELOPMENT	5,125	4,779	4,592	48	139	346	326	9	11	93	7	6
COMMUNITY, ABORIGINAL & WOMEN'S SERVICES	1,119	892	884	8	0	227	202	9	16	80	20	18
COMPETITION, SCIENCE & ENTERPRISE	270	136	136	0	0	134	119	7	8	50	50	44
EDUCATION	382	300	300	0	0	82	66	4	12	79	21	17
ENERGY & MINES	339	286	209	77	0	53	42	6	5	84	16	12
FINANCE	600	214	214	0	0	386	277	7	102	36	64	46
FORESTS	3,572	3,196	2,447	749	0	376	345	5	26	89	11	10
HEALTH PLANNING	34	16	14	0	2	18	12	4	2	47	53	35
HEALTH SERVICES	1,741	1,474	1,447	11	16	267	233	11	23	85	15	13
HUMAN RESOURCES	3,097	2,928	2,928	0	0	169	155	4	10	95	5	5
MANAGEMENT SERVICES	1,057	642	642	0	0	415	283	7	125	61	39	27
PROVINCIAL REVENUE	754	603	603	0	0	151	75	4	72	80	20	10
PUBLIC SAFETY & SOLICITOR GENERAL	2,850	2,611	2,576	1	34	239	212	11	16	92	8	7
SKILLS DEVELOPMENT & LABOUR	350	187	187	0	0	163	113	42	8	53	47	32
SUSTAINABLE RESOURCE MANAGEMENT	1,423	1,248	1,090	158	0	175	162	5	8	88	12	11
TRANSPORTATION	2,135	1,901	1,778	120	3	234	213	4	17	89	11	10
WATER, LAND & AIR PROTECTION	1,222	1,109	1,003	106	0	113	100	5	8	91	9	8
AUDITOR GENERAL	89	1	1	0	0	88	77	0	11	1	99	87
BC ASSETS & LAND CORPORATION	241	184	133	51	0	57	53	0	4	76	24	22
BC MENTAL HEALTH SOCIETY	1,645	1,617	1,094	29	494	28	27	0	1	98	2	2
BC PENSION CORPORATION	368	341	341	0	0	27	26	0	1	93	7	7
CHILD, YOUTH & FAMILY ADVOCATE	11	0	0	0	0	11	5	0	6	0	100	45
ELECTIONS	39	0	0	0	0	39	12	0	27	0	100	31
ENVIRONMENTAL BOARDS & FOREST COMMISSIONS	8	3	3	0	0	5	2	0	3	38	63	25
FOREST PRACTICES BOARD	37	13	13	0	0	24	21	1	2	35	65	57
FOREST RENEWAL BC	12	5	5	0	0	7	7	0	0	42	58	58
INFORMATION & PRIVACY COMMISSIONER	20	0	0	0	0	20	13	0	7	0	100	65
LIQUOR DISTRIBUTION BRANCH	3,559	3,413	3,413	0	0	146	145	0	1	96	4	4
LODGE AT BROADMEAD	305	293	260	3	30	12	11	0	1	96	4	4
OAK BAY LODGE	303	293	254	0	39	10	8	0	2	97	3	3
OFFICE OF THE PREMIER	160	24	24	0	0	136	71	28	37	15	85	44
OMBUDSMAN	53	0	0	0	0	53	32	0	21	0	100	60
POLICE COMPLAINTS COMMISSIONER	5	0	0	0	0	5	3	0	2	0	100	60
PRODUCT SERVICES	324	301	290	11	0	23	21	0	2	93	7	6
PROVINCIAL CAPITAL COMMISSION	30	27	27	0	0	3	3	0	0	90	10	10
PUBLIC SECTOR EMPLOYERS' COUNCIL	3	0	0	0	0	3	2	0	1	0	100	67
ROYAL BC MUSEUM	109	98	98	0	0	11	11	0	0	90	10	10
TOTAL	37,761	31,866	29,638	1,471	757	5,895	4,033	195	1,667	84	16	11

* Includes salaried physicians

** Order in Council appointments

*** Includes: Schedule A employees exempted from the union due to confidential nature of work performed, legal counsel, articling students, senior exec secretaries, exec admin assistants, and judicial admin assistants

PUBLIC SERVICE EMPLOYEES BY EMPLOYEE GROUP, SALARY AND GENDER — March 30, 2002

	TOTAL				REGULAR				AUXILIARY			
	NUMBER	% OF GROUP	AVERAGE ANNUAL SALARY($)	FEMALE SALARY AS % MALE	NUMBER	% OF GROUP	AVERAGE ANNUAL SALARY($)	FEMALE SALARY AS % MALE	NUMBER	% OF GROUP	AVERAGE ANNUAL SALARY($)	FEMALE SALARY AS % MALE
BARGAINING UNIT												
BCGEU*												
MALE	11,479	39	44,900		10,113	40	46,300		1,366	33	34,800	
FEMALE	18,159	61	40,000	89	15,384	60	41,100	89	2,775	67	34,100	98
TOTAL	**29,638**	**100**	**41,900**		**25,497**	**100**	**43,100**		**4,141**	**100**	**34,300**	
PEA												
MALE	1,172	80	59,000		1,167	80	59,000		5	38	51,800	
FEMALE	299	20	57,600	98	291	20	57,700	98	8	62	51,700	100
TOTAL	**1,471**	**100**	**58,700**		**1,458**	**100**	**58,700**		**13**	**100**	**51,700**	
NURSES												
MALE	155	20	48,400		125	21	49,100		30	18	45,500	
FEMALE	602	80	47,600	98	468	79	48,200	98	134	82	45,300	100
TOTAL	**757**	**100**	**47,700**		**593**	**100**	**48,400**		**164**	**100**	**45,400**	
TOTAL BARGAINING UNIT												
MALE	12,806	40	46,200		11,405	41	47,600		1,401	32	35,100	
FEMALE	19,060	60	40,500	88	16,143	59	41,600	87	2,917	68	34,700	99
TOTAL	**31,866**	**100**	**42,800**		**27,548**	**100**	**44,100**		**4,318**	**100**	**34,800**	
EXCLUDED												
MANAGEMENT												
MALE	2,325	58	71,500		2,298	58	71,700		27	47	58,200	
FEMALE	1,690	42	66,000	92	1,660	42	66,300	92	30	53	54,200	93
TOTAL	**4,015**	**100**	**69,200**		**3,958**	**100**	**69,400**		**57**	**100**	**56,100**	
OIC**												
MALE	75	38	67,400		75	39	67,400		0	0	0	
FEMALE	120	62	51,900	77	119	61	52,100	77	1	100	31,000	0
TOTAL	**195**	**100**	**57,800**		**194**	**100**	**58,000**		**1**	**100**	**31,000**	
PHYSICIANS												
	MALE 14	78	109,900		14	78	109,900		0	0	0	
FEMALE	4	22	103,700	94	4	22	103,700	94	0	0	0	0
TOTAL	**18**	**100**	**108,500**		**18**	**100**	**108,500**		**0**	**100**	**0**	
OTHER***												
MALE	477	29	73,400		435	29	76,600		42	28	40,300	
FEMALE	1,190	71	49,100	67	1,081	71	50,300	66	109	72	36,900	92
TOTAL	**1,667**	**100**	**56,000**		**1,516**	**100**	**57,900**		**151**	**100**	**37,800**	
TOTAL EXCLUDED												
MALE	2,891	49	71,900		2,822	50	72,500		69	33	47,300	
FEMALE	3,004	51	58,800	82	2,864	50	59,700	82	140	67	40,600	86
TOTAL	**5,895**	**100**	**65,200**		**5,686**	**100**	**66,100**		**209**	**100**	**42,800**	
TOTAL GOVERNMENT												
MALE	15,697	42	50,900		14,227	43	52,500		1,470	32	35,600	
FEMALE	22,064	58	43,000	84	19,007	57	44,300	84	3,057	68	34,900	98
TOTAL	**37,761**	**100**	**46,300**		**33,234**	**100**	**47,600**		**4,527**	**100**	**35,200**	

* BC Government and Service Employees' Union

** Order in Council appointments

*** Includes: Schedule A employees exempted from the union due to confidential nature of work performed, legal counsel, articling students, senior exec secretaries, exec admin assistants, and judicial admin assistants Salaries based on payroll data and rounded to nearest $100

PUBLIC SERVICE EMPLOYEES BY EMPLOYEE GROUP, GENDER AND AGE — March 30, 2002

EMPLOYEE GROUP	< 25 YEARS NUMBER	%	25-34 YEARS NUMBER	%	35-44 YEARS NUMBER	%	45-54 YEARS NUMBER	%	55-64 YEARS NUMBER	%	> 64 YEARS NUMBER	%	ALL AGES NUMBER	%	AVERAGE AGE
BARGAINING UNIT															
BCGEU*															
MALE	223	2	1,948	17	3,474	30	4,431	39	1,403	12	0	—	11,479	100	44
FEMALE	368	2	3,586	20	6,134	34	6,210	34	1,860	10	1	<1	18,159	100	43
TOTAL	**591**	**2**	**5,534**	**19**	**9,608**	**32**	**10,641**	**36**	**3,263**	**11**	**1**	**—**	**29,638**	**100**	**43**
PEA															
MALE	1	<1	75	6	370	32	529	45	196	17	1	<1	1,172	100	47
FEMALE	4	1	69	23	135	45	77	26	14	5	0	—	299	100	41
TOTAL	**5**	**<1**	**144**	**10**	**505**	**34**	**606**	**41**	**210**	**14**	**1**	**<1**	**1,471**	**100**	**46**
NURSES															
MALE	1	<1	17	11	24	15	49	32	64	41	0	—	155	100	50
FEMALE	13	2	95	16	138	23	232	39	123	20	1	<1	602	100	46
TOTAL	**14**	**2**	**112**	**15**	**162**	**21**	**281**	**37**	**187**	**25**	**1**	**<1**	**757**	**100**	**46**
TOTAL BARGAINING UNIT															
MALE	225	2	2,040	16	3,868	30	5,009	39	1,663	13	1	<1	12,806	100	44
FEMALE	385	2	3,750	20	6,407	34	6,519	34	1,997	10	2	<1	19,060	100	43
TOTAL	**610**	**2**	**5,790**	**18**	**10,275**	**32**	**11,528**	**36**	**3,660**	**11**	**3**	**<1**	**31,866**	**100**	**43**
EXCLUDED															
MANAGEMENT															
MALE	5	<1	84	4	471	20	1,264	54	500	22	1	<1	2,325	100	49
FEMALE	8	<1	139	8	535	32	817	48	191	11	0	—	1,690	100	46
TOTAL	**13**	**<1**	**223**	**6**	**1,006**	**25**	**2,081**	**52**	**691**	**17**	**1**	**<1**	**4,015**	**100**	**48**
OIC**															
MALE	3	4	23	31	15	20	25	33	8	11	1	1	75	100	42
FEMALE	3	3	31	26	34	28	37	31	15	13	0	—	120	100	42
TOTAL	**6**	**3**	**54**	**28**	**49**	**25**	**62**	**32**	**23**	**12**	**1**	**<1**	**195**	**100**	**42**
SALARIED PHYSICIANS															
MALE	0	—	0	—	1	7	6	43	7	50	0	—	14	100	53
FEMALE	0	—	0	—	1	25	2	50	1	25	0	—	4	100	53
TOTAL	**0**	**—**	**0**	**—**	**2**	**11**	**8**	**44**	**8**	**44**	**0**	**—**	**18**	**100**	**53**
OTHER***															
MALE	6	1	93	20	157	33	160	34	61	13	0	—	477	100	43
FEMALE	13	1	252	21	421	35	388	33	116	10	0	—	1,190	100	42
TOTAL	**19**	**1**	**345**	**21**	**578**	**35**	**548**	**33**	**177**	**11**	**0**	**—**	**1,667**	**100**	**43**
TOTAL EXCLUDED															
MALE	14	<1	200	7	644	22	1,455	50	576	20	2	<1	2,891	100	48
FEMALE	24	<1	422	14	991	33	1,244	41	323	11	0	—	3,004	100	44
TOTAL	**38**	**<1**	**622**	**11**	**1,635**	**28**	**2,699**	**46**	**899**	**15**	**2**	**<1**	**5,895**	**100**	**46**
TOTAL GOVERNMENT															
MALE	239	2	2,240	14	4,512	29	6,464	41	2,239	14	3	<1	15,697	100	45
FEMALE	409	2	4,172	19	7,398	34	7,763	35	2,320	11	2	<1	22,064	100	43
TOTAL	**648**	**2**	**6,412**	**17**	**11,910**	**32**	**14,227**	**38**	**4,559**	**12**	**5**	**<1**	**37,761**	**100**	**44**

* BC Government and Service Employees' Union

** Order in Council appointments

*** Includes: Schedule A employees exempted from the union due to confidential nature of work performed, legal counsel, articling students, senior exec secretaries, exec admin assistants, and judicial admin assistants

PUBLIC SERVICE EMPLOYEES BY EMPLOYEE GROUP, SALARY AND GENDER — March 30, 2002

	TOTAL				REGULAR				AUXILIARY			
	NUMBER	% OF GROUP	AVERAGE ANNUAL SALARY($)	FEMALE SALARY AS % MALE	NUMBER	% OF GROUP	AVERAGE ANNUAL SALARY($)	FEMALE SALARY AS % MALE	NUMBER	% OF GROUP	AVERAGE ANNUAL SALARY($)	FEMALE SALARY AS % MALE
BARGAINING UNIT												
BCGEU*												
MALE	11,479	39	44,900		10,113	40	46,300		1,366	33	34,800	
FEMALE	18,159	61	40,000	89	15,384	60	41,100	89	2,775	67	34,100	98
TOTAL	**29,638**	**100**	**41,900**		**25,497**	**100**	**43,100**		**4,141**	**100**	**34,300**	
PEA												
MALE	1,172	80	59,000		1,167	80	59,000		5	38	51,800	
FEMALE	299	20	57,600	98	291	20	57,700	98	8	62	51,700	100
TOTAL	**1,471**	**100**	**58,700**		**1,458**	**100**	**58,700**		**13**	**100**	**51,700**	
NURSES												
MALE	155	20	48,400		125	21	49,100		30	18	45,500	
FEMALE	602	80	47,600	98	468	79	48,200	98	134	82	45,300	100
TOTAL	**757**	**100**	**47,700**		**593**	**100**	**48,400**		**164**	**100**	**45,400**	
TOTAL BARGAINING UNIT												
MALE	12,806	40	46,200		11,405	41	47,600		1,401	32	35,100	
FEMALE	19,060	60	40,500	88	16,143	59	41,600	87	2,917	68	34,700	99
TOTAL	**31,866**	**100**	**42,800**		**27,548**	**100**	**44,100**		**4,318**	**100**	**34,800**	
EXCLUDED												
MANAGEMENT												
MALE	2,325	58	71,500		2,298	58	71,700		27	47	58,200	
FEMALE	1,690	42	66,000	92	1,660	42	66,300	92	30	53	54,200	93
TOTAL	**4,015**	**100**	**69,200**		**3,958**	**100**	**69,400**		**57**	**100**	**56,100**	
OIC**												
MALE	75	38	67,400		75	39	67,400		0	0	0	
FEMALE	120	62	51,900	77	119	61	52,100	77	1	100	31,000	0
TOTAL	**195**	**100**	**57,800**		**194**	**100**	**58,000**		**1**	**100**	**31,000**	
PHYSICIANS												
	MALE 14	78	109,900		14	78	109,900		0	0	0	
FEMALE	4	22	103,700	94	4	22	103,700	94	0	0	0	0
TOTAL	**18**	**100**	**108,500**		**18**	**100**	**108,500**		**0**	**100**	**0**	
OTHER***												
MALE	477	29	73,400		435	29	76,600		42	28	40,300	
FEMALE	1,190	71	49,100	67	1,081	71	50,300	66	109	72	36,900	92
TOTAL	**1,667**	**100**	**56,000**		**1,516**	**100**	**57,900**		**151**	**100**	**37,800**	
TOTAL EXCLUDED												
MALE	2,891	49	71,900		2,822	50	72,500		69	33	47,300	
FEMALE	3,004	51	58,800	82	2,864	50	59,700	82	140	67	40,600	86
TOTAL	**5,895**	**100**	**65,200**		**5,686**	**100**	**66,100**		**209**	**100**	**42,800**	
TOTAL GOVERNMENT												
MALE	15,697	42	50,900		14,227	43	52,500		1,470	32	35,600	
FEMALE	22,064	58	43,000	84	19,007	57	44,300	84	3,057	68	34,900	98
TOTAL	**37,761**	**100**	**46,300**		**33,234**	**100**	**47,800**		**4,527**	**100**	**35,200**	

* BC Government and Service Employees Union

** Order in Council appointments

*** Includes Schedule A employees exempted from the union due to confidential nature of work performed legal counsel articling students senior exec secretaries exec admin assistants and judicial admin assistants Salaries based on payroll data and rounded to nearest $100

PUBLIC SERVICE EMPLOYEES BY EMPLOYEE GROUP, GENDER AND AGE — March 30, 2002

EMPLOYEE GROUP	< 25 YEARS NUMBER	%	25-34 YEARS NUMBER	%	35-44 YEARS NUMBER	%	45-54 YEARS NUMBER	%	55-64 YEARS NUMBER	%	> 64 YEARS NUMBER	%	ALL AGES NUMBER	%	AVERAGE AGE
BARGAINING UNIT															
BCGEU*															
MALE	223	2	1.948	17	3 474	30	4 431	39	1,403	12	0	—	11 479	100	44
FEMALE	368	2	3.586	20	6.134	34	6.210	34	1 860	10	1	<1	18 159	100	43
TOTAL	**591**	**2**	**5,534**	**19**	**9,608**	**32**	**10,641**	**36**	**3,263**	**11**	**1**	**—**	**29,638**	**100**	**43**
PEA															
MALE	1	<1	75	6	370	32	529	45	196	17	1	<1	1 172	100	47
FEMALE	4	1	69	23	135	45	77	26	14	5	0	—	299	100	41
TOTAL	**5**	**<1**	**144**	**10**	**505**	**34**	**606**	**41**	**210**	**14**	**1**	**<1**	**1,471**	**100**	**45**
NURSES															
MALE	1	<1	17	11	24	15	49	32	64	41	0	—	155	100	50
FEMALE	13	2	95	16	138	23	232	39	123	20	1	<1	602	100	46
TOTAL	**14**	**2**	**112**	**15**	**162**	**21**	**281**	**37**	**187**	**25**	**1**	**<1**	**757**	**100**	**46**
TOTAL BARGAINING UNIT															
MALE	225	2	2 040	16	3 868	30	5 009	39	1 663	13	1	<1	12 806	100	44
FEMALE	385	2	3.750	20	6 407	34	6 519	34	1 997	10	2	<1	19 060	100	43
TOTAL	**610**	**2**	**5,790**	**18**	**10,275**	**32**	**11,528**	**36**	**3,660**	**11**	**3**	**<1**	**31,866**	**100**	**43**
EXCLUDED															
MANAGEMENT															
MALE	5	<1	84	4	471	20	1 264	54	500	22	1	<1	2 325	100	49
FEMALE	8	<1	139	8	535	32	817	48	191	11	0	—	1 690	100	46
TOTAL	**13**	**<1**	**223**	**6**	**1,006**	**25**	**2,081**	**52**	**691**	**17**	**1**	**<1**	**4,015**	**100**	**48**
OIC**															
MALE	3	4	23	31	15	20	25	33	8	11	1	1	75	100	42
FEMALE	3	3	31	26	34	28	37	31	15	13	0	—	120	100	42
TOTAL	**6**	**3**	**54**	**28**	**49**	**25**	**62**	**32**	**23**	**12**	**1**	**<1**	**195**	**100**	**42**
SALARIED PHYSICIANS															
MALE	0	—	0	—	1	7	6	43	7	50	0	—	14	100	53
FEMALE	0	—	0	—	1	25	2	50	1	25	0	—	4	100	53
TOTAL	**0**	**—**	**0**	**—**	**2**	**11**	**8**	**44**	**8**	**44**	**0**	**—**	**18**	**100**	**53**
OTHER***															
MALE	6	1	93	20	157	33	160	34	61	13	0	—	477	100	43
FEMALE	13	1	252	21	421	35	388	33	116	10	0	—	1 190	100	42
TOTAL	**19**	**1**	**345**	**21**	**578**	**35**	**548**	**33**	**177**	**11**	**0**	**—**	**1,667**	**100**	**43**
TOTAL EXCLUDED															
MALE	14	<1	200	7	644	22	1 455	50	576	20	2	<1	2 891	100	48
FEMALE	24	<1	422	14	991	33	1 244	41	323	11	0	—	3 004	100	44
TOTAL	**38**	**<1**	**622**	**11**	**1,635**	**28**	**2,699**	**46**	**899**	**15**	**2**	**<1**	**5,895**	**100**	**46**
TOTAL GOVERNMENT															
MALE	239	2	2 240	14	4 512	29	6 464	41	2 239	14	3	<1	15 697	100	45
FEMALE	409	2	4 172	19	7 398	34	7 763	35	2 320	11	2	<1	22 064	100	43
TOTAL	**648**	**2**	**6,412**	**17**	**11,910**	**32**	**14,227**	**38**	**4,559**	**12**	**5**	**<1**	**37,761**	**100**	**44**

* BC Government and Service Employees' Union

** Order in Council appointments

*** Includes: Schedule A employees exempted from the union due to confidential nature of work performed, legal counsel, articling students, senior exec secretaries, exec admin assistants, and judicial admin assistants

PUBLIC SERVICE EMPLOYEES BY MINISTRY AND GENDER — March 30, 2002

	FEMALE EMPLOYEES			MALE EMPLOYEES			TOTAL EMPLOYEES			
MINISTRY	NUMBER	%	AVERAGE ANNUAL SALARY($)	NUMBER	%	AVERAGE ANNUAL SALARY($)	NUMBER	%	AVERAGE ANNUAL SALARY($)	FEMALE SALARY AS % OF MALE SALARY
ADVANCED EDUCATION	**235**	**70**	**43,700**	**103**	**30**	**58,300**	**338**	**100**	**48,100**	**75**
AGRICULTURE, FOOD & FISHERIES	157	48	45,600	169	52	60,100	326	100	53,100	76
ATTORNEY GENERAL & TREATY NEGOTIATIONS	**2,485**	**67**	**45,800**	**1,221**	**33**	**58,200**	**3,706**	**100**	**49,900**	**79**
CHILDREN & FAMILY DEVELOPMENT	3,749	73	46,100	1,376	27	51,000	5,125	100	47,400	90
COMMUNITY, ABORIGINAL & WOMEN'S SERVICES	**705**	**63**	**43,700**	**414**	**37**	**55,600**	**1,119**	**100**	**48,100**	**79**
COMPETITION, SCIENCE & ENTERPRISE	147	54	46,200	123	46	65,400	270	100	55,000	71
EDUCATION	**271**	**71**	**45,500**	**111**	**29**	**60,000**	**382**	**100**	**49,700**	**76**
ENERGY & MINES	154	45	42,300	185	55	60,600	339	100	52,300	70
FINANCE	**359**	**60**	**47,000**	**241**	**40**	**61,300**	**600**	**100**	**52,700**	**77**
FORESTS	1,294	36	42,900	2,278	64	53,100	3,572	100	49,400	81
HEALTH PLANNING	**25**	**74**	**51,200**	**9**	**26**	**88,400**	**34**	**100**	**61,000**	**58**
HEALTH SERVICES	1,287	74	42,500	454	26	54,400	1,741	100	45,600	78
HUMAN RESOURCES	**2,533**	**82**	**40,800**	**564**	**18**	**46,400**	**3,097**	**100**	**41,800**	**88**
MANAGEMENT SERVICES	602	57	47,900	455	43	59,700	1,057	100	53,000	80
PROVINCIAL REVENUE	**425**	**56**	**43,800**	**329**	**44**	**53,900**	**754**	**100**	**48,200**	**81**
PUBLIC SAFTEY & SOLICITOR GENERAL	1,282	45	42,800	1,568	55	45,900	2,850	100	44,500	93
SKILLS DEVELOPMENT & LABOUR	**234**	**67**	**44,300**	**116**	**33**	**62,900**	**350**	**100**	**50,500**	**70**
SUSTAINABLE RESOURCE MANAGEMENT	663	47	44,500	760	53	53,800	1,423	100	49,400	83
TRANSPORTATION	**627**	**29**	**41,900**	**1,508**	**71**	**49,000**	**2,135**	**100**	**46,900**	**85**
WATER, LAND & AIR PROTECTION	400	33	44,300	822	67	54,700	1,222	100	51,300	81
AUDITOR GENERAL	**46**	**52**	**51,500**	**43**	**48**	**67,400**	**89**	**100**	**59,200**	**76**
BC ASSETS & LAND CORPORATION	131	54	42,400	110	46	60,000	241	100	50,400	71
BC MENTAL HEALTH SOCIETY	**1,156**	**70**	**40,400**	**489**	**30**	**41,200**	**1,645**	**100**	**40,600**	**98**
BC PENSION CORPORATION	289	79	41,500	79	21	49,300	368	100	43,200	84
CHILD, YOUTH & FAMILY ADVOCATE	**9**	**82**	**49,200**	**2**	**18**	**73,800**	**11**	**100**	**53,700**	**67**
ELECTIONS	27	69	46,500	12	31	50,700	39	100	47,800	92
ENVIRONMENTAL BOARDS & FOREST COMMISSIONS	**7**	**88**	**52,600**	**1**	**13**	**34,700**	**8**	**100**	**50,300**	**151**
FOREST PRACTICES BOARD	14	38	47,000	23	62	73,400	37	100	63,400	64
FOREST RENEWAL BC	**8**	**67**	**48,700**	**4**	**33**	**77,500**	**12**	**100**	**58,300**	**63**
INFORMATION & PRIVACY COMMISSIONER	13	65	55,000	7	35	80,600	20	100	64,000	68
LIQUOR DISTRIBUTION BRANCH	**1,907**	**54**	**34,900**	**1,652**	**46**	**38,500**	**3,559**	**100**	**36,600**	**91**
LODGE AT BROADMEAD	219	72	37,100	86	28	37,400	305	100	37,200	99
OAK BAY LODGE	**242**	**80**	**36,900**	**61**	**20**	**35,700**	**303**	**100**	**36,600**	**103**
OFFICE OF THE PREMIER	110	69	54,300	50	31	76,900	160	100	61,400	71
OMBUDSMAN	**35**	**66**	**54,300**	**18**	**34**	**68,900**	**53**	**100**	**59,300**	**79**
POLICE COMPLAINTS COMMISSIONER	3	60	58,900	2	40	83,000	5	100	68,500	71
PRODUCT SERVICES	**139**	**43**	**38,700**	**185**	**57**	**40,300**	**324**	**100**	**39,600**	**96**
PROVINCIAL CAPITAL COMMISSION	19	63	36,100	11	37	50,400	30	100	41,300	72
PUBLIC SECTOR EMPLOYERS' COUNCIL	**2**	**67**	**53,800**	**1**	**33**	**134,300**	**3**	**100**	**80,600**	**40**
ROYAL BC MUSEUM	54	50	41,700	55	50	49,100	109	100	45,400	85
TOTAL GOVERNMENT PSA	**22,064**	**58**	**43,000**	**15,697**	**42**	**50,900**	**37,761**	**100**	**46,300**	**84**

* Salaries based on payroll data and rounded to nearest $100

PUBLIC SERVICE EXCLUDED EMPLOYEES BY GROUP AND TYPE — March 30, 2002

	TOTAL			REGULAR		AUXILIARY	
	NUMBER	AS % OF GROUP	AVERAGE ANNUAL SALARY($)	NUMBER	AVERAGE ANNUAL SALARY($)	NUMBER	AVERAGE ANNUAL SALARY($)
MANAGEMENT							
DEPUTY MINISTER	50	1	153,500	50	153,500	—	—
ASSOC DEPUTY MINISTER	2	<1	115,300	2	115,300	—	—
ASS'T DEPUTY MINISTER	92	2	103,500	92	103,500	—	—
MGMT LEVELS 01-12	3,871	96	67,300	3,814	67,400	57	56,100
LEGAL OFFICER	—	—	—	—	—	—	—
BCSC MANAGER	—	—	—	—	—	—	—
TOTAL	**4,015**	**100**	**69,200**	**3,958**	**69,400**	**57**	**56,100**
OIC							
CATEGORY B*	42	22	34,900	41	35,000	1	31,000
SENIOR EXEC SECRETARY	—	—	—	—	—	—	—
EXECUTIVE SECRETARY	—	—	—	—	—	—	—
ADMINISTRATIVE ASSIST	23	12	46,100	23	46,100	—	—
MINISTERIAL ASSISTANT	28	14	63,100	28	63,100	—	—
EXECUTIVE ASSISTANT	25	13	49,700	25	49,700	—	—
SPECIAL ASSISTANT	—	—	—	—	—	—	—
COURT REPORTER	—	—	—	—	—	—	—
OTHER OIC	77	39	74,600	77	74,600	—	—
COURT REFEREE	—	—	—	—	—	—	—
TOTAL	**195**	**100**	**57,800**	**194**	**58,000**	**1**	**31,000**
SALARIED PHYSICIANS							
SPECIALIST	3	17	98,100	3	98,100	—	—
ADMINISTRATOR	15	83	110,500	15	110,500	—	—
TOTAL	**18**	**100**	**108,500**	**18**	**106,500**	—	—
OTHER							
SCHEDULE A**	854	51	38,900	731	39,900	123	33,400
SENIOR EXEC SECRETARY	35	2	44,600	34	44,600	1	44,900
EXECUTIVE SECRETARY	103	6	40,700	94	40,900	9	38,700
ARTICLED STUDENT	—	—	—	—	—	—	—
< 60 DAY STATUTORY	—	—	—	—	—	—	—
LEGISLATIVE LIBRARY	—	—	—	—	—	—	—
JUDICIAL ADMIN ASST	65	4	38,900	64	39,000	1	34,400
LEGAL COUNSEL	610	37	85,000	593	85,500	17	69,000
TOTAL	**1,667**	**100**	**56,000**	**1,516**	**57,900**	**151**	**37,800**
TOTAL EXCLUDED	**5,895**	**100**	**65,200**	**5,686**	**66,100**	**209**	**42,800**

Salaries based on payroll data and rounded to nearest $100

* Administrative support, Minister's office

** Bargaining unit classifications excluded from union membership due to confidential nature of work

PUBLIC SERVICE EMPLOYEES BY MINISTRY AND GENDER — March 30, 2002

	FEMALE EMPLOYEES			MALE EMPLOYEES			TOTAL EMPLOYEES			
MINISTRY	NUMBER	%	AVERAGE ANNUAL SALARY($)	NUMBER	%	AVERAGE ANNUAL SALARY($)	NUMBER	%	AVERAGE ANNUAL SALARY($)	FEMALE SALARY AS % OF MALE SALARY
ADVANCED EDUCATION	**235**	**70**	**43,700**	**103**	**30**	**58,300**	**338**	**100**	**48,100**	**75**
AGRICULTURE, FOOD & FISHERIES	157	48	45,600	169	52	60,100	326	100	53,100	76
ATTORNEY GENERAL & TREATY NEGOTIATIONS	**2,485**	**67**	**45,800**	**1,221**	**33**	**58,200**	**3,706**	**100**	**49,900**	**79**
CHILDREN & FAMILY DEVELOPMENT	3,749	73	46,100	1,376	27	51,000	5,125	100	47,400	90
COMMUNITY, ABORIGINAL & WOMEN'S SERVICES	**705**	**63**	**43,700**	**414**	**37**	**55,800**	**1,119**	**100**	**48,100**	**79**
COMPETITION, SCIENCE & ENTERPRISE	147	54	46,200	123	46	65,400	270	100	55,000	71
EDUCATION	**271**	**71**	**45,500**	**111**	**29**	**60,000**	**382**	**100**	**49,700**	**76**
ENERGY & MINES	154	45	42,300	185	55	60,600	339	100	52,300	70
FINANCE	**359**	**60**	**47,000**	**241**	**40**	**61,300**	**600**	**100**	**52,700**	**77**
FORESTS	1,294	36	42,900	2,278	64	53,100	3,572	100	49,400	81
HEALTH PLANNING	**25**	**74**	**51,200**	**9**	**26**	**88,400**	**34**	**100**	**61,000**	**58**
HEALTH SERVICES	1,287	74	42,500	454	26	54,400	1,741	100	45,600	78
HUMAN RESOURCES	**2,533**	**82**	**40,800**	**564**	**18**	**46,400**	**3,097**	**100**	**41,800**	**88**
MANAGEMENT SERVICES	602	57	47,900	455	43	59,700	1,057	100	53,000	80
PROVINCIAL REVENUE	**425**	**56**	**43,800**	**329**	**44**	**53,900**	**754**	**100**	**48,200**	**81**
PUBLIC SAFTEY & SOLICITOR GENERAL	1,282	45	42,800	1,568	55	45,900	2,850	100	44,500	93
SKILLS DEVELOPMENT & LABOUR	**234**	**67**	**44,300**	**116**	**33**	**62,900**	**350**	**100**	**50,600**	**70**
SUSTAINABLE RESOURCE MANAGEMENT	663	47	44,500	760	53	53,800	1,423	100	49,400	83
TRANSPORTATION	**627**	**29**	**41,900**	**1,508**	**71**	**49,000**	**2,135**	**100**	**46,900**	**85**
WATER, LAND & AIR PROTECTION	400	33	44,300	822	67	54,700	1,222	100	51,300	81
AUDITOR GENERAL	**46**	**52**	**51,500**	**43**	**48**	**67,400**	**89**	**100**	**59,200**	**76**
BC ASSETS & LAND CORPORATION	131	54	42,400	110	46	60,000	241	100	50,400	71
BC MENTAL HEALTH SOCIETY	**1,156**	**70**	**40,400**	**489**	**30**	**41,200**	**1,645**	**100**	**40,600**	**98**
BC PENSION CORPORATION	289	79	41,500	79	21	49,300	368	100	43,200	84
CHILD, YOUTH & FAMILY ADVOCATE	**9**	**82**	**49,200**	**2**	**18**	**73,800**	**11**	**100**	**53,700**	**67**
ELECTIONS	27	69	46,500	12	31	50,700	39	100	47,800	92
ENVIRONMENTAL BOARDS & FOREST COMMISSIONS	**7**	**88**	**52,600**	**1**	**13**	**34,700**	**8**	**100**	**50,300**	**151**
FOREST PRACTICES BOARD	14	38	47,000	23	62	73,400	37	100	63,400	64
FOREST RENEWAL BC	**8**	**67**	**48,700**	**4**	**33**	**77,500**	**12**	**100**	**58,300**	**63**
INFORMATION & PRIVACY COMMISSIONER	13	65	55,000	7	35	80,600	20	100	64,000	68
LIQUOR DISTRIBUTION BRANCH	**1,907**	**54**	**34,900**	**1,652**	**46**	**38,500**	**3,559**	**100**	**36,600**	**91**
LODGE AT BROADMEAD	219	72	37,100	86	28	37,400	305	100	37,200	99
OAK BAY LODGE	**242**	**80**	**36,900**	**61**	**20**	**35,700**	**303**	**100**	**36,600**	**103**
OFFICE OF THE PREMIER	110	69	54,300	50	31	76,900	160	100	61,400	71
OMBUDSMAN	**35**	**66**	**54,300**	**18**	**34**	**68,900**	**53**	**100**	**59,300**	**79**
POLICE COMPLAINTS COMMISSIONER	3	60	58,900	2	40	83,000	5	100	68,500	71
PRODUCT SERVICES	**139**	**43**	**38,700**	**185**	**57**	**40,300**	**324**	**100**	**39,600**	**96**
PROVINCIAL CAPITAL COMMISSION	19	63	36,100	11	37	50,400	30	100	41,300	72
PUBLIC SECTOR EMPLOYERS' COUNCIL	**2**	**67**	**53,800**	**1**	**33**	**134,300**	**3**	**100**	**80,600**	**40**
ROYAL BC MUSEUM	54	50	41,700	55	50	49,100	109	100	45,400	85
TOTAL GOVERNMENT PSA	**22,064**	**58**	**43,000**	**15,697**	**42**	**50,800**	**37,761**	**100**	**46,300**	**84**

* Salaries based on payroll data and rounded to nearest $100

PUBLIC SERVICE EXCLUDED EMPLOYEES BY GROUP AND TYPE — March 30, 2002

	TOTAL			REGULAR		AUXILIARY	
	NUMBER	AS % OF GROUP	AVERAGE ANNUAL SALARY($)	NUMBER	AVERAGE ANNUAL SALARY($)	NUMBER	AVERAGE ANNUAL SALARY($)
MANAGEMENT							
DEPUTY MINISTER	50	1	153,500	50	153,500	—	—
ASSOC DEPUTY MINISTER	2	<1	115,300	2	115,300	—	—
ASS'T DEPUTY MINISTER	92	2	103,500	92	103,500	—	—
MGMT LEVELS 01-12	3,871	96	67,300	3,814	67,400	57	56,100
LEGAL OFFICER	—	—	—	—	—	—	—
BCSC MANAGER	—	—	—	—	—	—	—
TOTAL	**4,015**	**100**	**69,200**	**3,958**	**69,400**	**57**	**56,100**
OIC							
CATEGORY B*	42	22	34,900	41	35,000	1	31,000
SENIOR EXEC SECRETARY	—	—	—	—	—	—	—
EXECUTIVE SECRETARY	—	—	—	—	—	—	—
ADMINISTRATIVE ASSIST	23	12	46,100	23	46,100	—	—
MINISTERIAL ASSISTANT	28	14	63,100	28	63,100	—	—
EXECUTIVE ASSISTANT	25	13	49,700	25	49,700	—	—
SPECIAL ASSISTANT	—	—	—	—	—	—	—
COURT REPORTER	—	—	—	—	—	—	—
OTHER OIC	77	39	74,600	77	74,600	—	—
COURT REFEREE	—	—	—	—	—	—	—
TOTAL	**195**	**100**	**57,800**	**194**	**58,000**	**1**	**31,000**
SALARIED PHYSICIANS							
SPECIALIST	3	17	98,100	3	98,100	—	—
ADMINISTRATOR	15	83	110,500	15	110,500	—	—
TOTAL	**18**	**100**	**108,500**	**18**	**108,500**	—	—
OTHER							
SCHEDULE A**	854	51	38,900	731	39,900	123	33,400
SENIOR EXEC SECRETARY	35	2	44,600	34	44,600	1	44,900
EXECUTIVE SECRETARY	103	6	40,700	94	40,900	9	38,700
ARTICLED STUDENT	—	—	—	—	—	—	—
< 60 DAY STATUTORY	—	—	—	—	—	—	—
LEGISLATIVE LIBRARY	—	—	—	—	—	—	—
JUDICIAL ADMIN ASST	65	4	38,900	64	39,000	1	34,400
LEGAL COUNSEL	610	37	85,000	593	85,500	17	69,000
TOTAL	**1,667**	**100**	**56,000**	**1,516**	**57,900**	**151**	**37,800**
TOTAL EXCLUDED	**5,895**	**100**	**65,200**	**5,686**	**66,100**	**209**	**42,800**

Salaries based on payroll data and rounded to nearest $100

* Administrative support, Minister's office

** Bargaining unit classifications excluded from union membership due to confidential nature of work

PUBLIC SERVICE MANAGEMENT EMPLOYEES BY LEVEL AND GENDER — March 30, 2002

LEVEL	GENDER	COUNT	AS % OF LEVEL	AS % OF TOTAL MGMNT.	AVERAGE ANNUAL SALARY ($)	FEMALE SALARY AS % OF MALE SALARY
1	MALE	22	19	<1	43 800	
	FEMALE	91	81	5	46 000	105
	TOTAL	**113**	**100**	**3**	**45,600**	
2	MALE	159	41	7	52 700	
	FEMALE	230	59	14	52 600	100
	TOTAL	**389**	**100**	**10**	**52,600**	
3	MALE	276	44	12	59 100	
	FEMALE	348	56	21	58 600	99
	TOTAL	**624**	**100**	**16**	**58,800**	
4	MALE	560	60	24	65 100	
	FEMALE	366	40	22	64 900	100
	TOTAL	**926**	**100**	**23**	**65,000**	
5	MALE	494	64	21	69 700	
	FEMALE	278	36	16	69 100	99
	TOTAL	**772**	**100**	**19**	**69,500**	
6	MALE	319	66	14	75 400	
	FEMALE	163	34	10	75 300	100
	TOTAL	**482**	**100**	**12**	**75,400**	
7	MALE	205	69	9	81 000	
	FEMALE	94	31	6	80 700	100
	TOTAL	**299**	**100**	**7**	**80,900**	
8	MALE	159	72	7	87 200	
	FEMALE	62	28	4	87 000	100
	TOTAL	**221**	**100**	**6**	**87,200**	
9	MALE	23	58	<1	95 500	
	FEMALE	17	43	1	96 500	101
	TOTAL	**40**	**100**	**1**	**95,900**	
10	MALE	52	71	2	103 300	
	FEMALE	21	29	1	101 400	98
	TOTAL	**73**	**100**	**2**	**102,700**	
11	MALE	15	79	<1	111 500	
	FEMALE	4	21	<1	103 500	93
	TOTAL	**19**	**100**	**<1**	**109,800**	
12	MALE	38	70	2	149 600	
	FEMALE	16	30	<1	158 300	106
	TOTAL	**54**	**100**	**1**	**152,200**	
UNDER REVIEW/ UNKNOWN	MALE	3	100	<1	68 800	
	FEMALE	0	—	—	0	—
	TOTAL	**3**	**100**	**<1**	**68,800**	
TOTAL	MALE	2 325	58	100	71 500	
	FEMALE	1 690	42	100	66 000	92
	TOTAL	**4,015**	**100**	**100**	**69,200**	

Salaries based on payroll data and rounded to nearest $100

PUBLIC SERVICE MANAGEMENT EMPLOYEES BY LEVEL AND GENDER — March 30, 2002

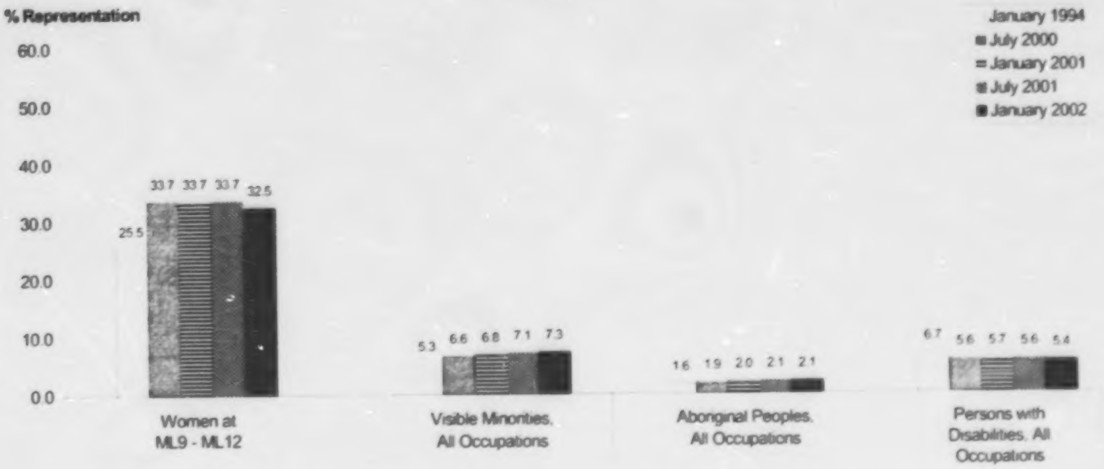
LEVEL	GENDER	COUNT	AS % OF LEVEL	AS % OF TOTAL MGMNT.	AVERAGE ANNUAL SALARY ($)	FEMALE SALARY AS % OF MALE SALARY
1	MALE	22	19	<1	43,800	
	FEMALE	91	81	5	46,000	105
	TOTAL	**113**	**100**	**3**	**45,600**	
2	MALE	159	41	7	52,700	
	FEMALE	230	59	14	52,600	100
	TOTAL	**389**	**100**	**10**	**52,600**	
3	MALE	276	44	12	59,100	
	FEMALE	348	56	21	58,600	99
	TOTAL	**624**	**100**	**16**	**58,600**	
4	MALE	560	60	24	65,100	
	FEMALE	366	40	22	64,900	100
	TOTAL	**926**	**100**	**23**	**65,000**	
5	MALE	494	64	21	69,700	
	FEMALE	278	36	16	69,100	99
	TOTAL	**772**	**100**	**19**	**69,500**	
6	MALE	319	66	14	75,400	
	FEMALE	163	34	10	75,300	100
	TOTAL	**482**	**100**	**12**	**75,400**	
7	MALE	205	69	9	81,000	
	FEMALE	94	31	6	80,700	100
	TOTAL	**299**	**100**	**7**	**80,900**	
8	MALE	159	72	7	87,200	
	FEMALE	62	28	4	87,000	100
	TOTAL	**221**	**100**	**6**	**87,200**	
9	MALE	23	58	<1	95,500	
	FEMALE	17	43	1	96,500	101
	TOTAL	**40**	**100**	**1**	**95,900**	
10	MALE	52	71	2	103,300	
	FEMALE	21	29	1	101,400	98
	TOTAL	**73**	**100**	**2**	**102,700**	
11	MALE	15	79	<1	111,500	
	FEMALE	4	21	<1	103,500	93
	TOTAL	**19**	**100**	**<1**	**109,800**	
12	MALE	38	70	2	149,600	
	FEMALE	16	30	<1	158,300	106
	TOTAL	**54**	**100**	**1**	**152,200**	
UNDER REVIEW/ UNKNOWN	MALE	3	100	<1	68,800	
	FEMALE	0	—	—	0	—
	TOTAL	**3**	**100**	**<1**	**68,800**	
TOTAL	MALE	2,325	58	100	71,500	
	FEMALE	1,690	42	100	66,000	92
	TOTAL	**4,015**	**100**	**100**	**69,200**	

Salaries based on payroll data and rounded to nearest $100

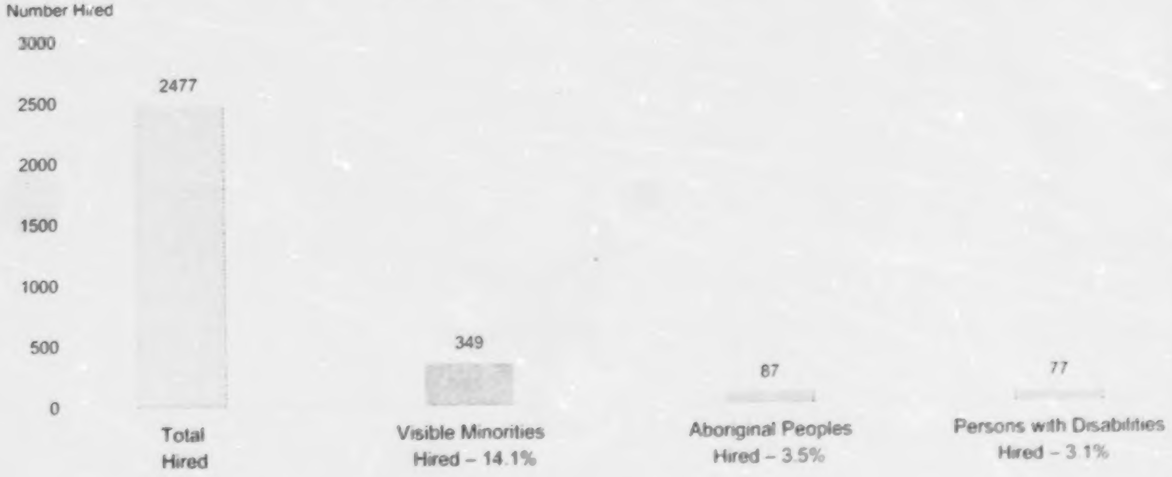
Government Wide
Indicators of Progress
Regular Employees

January 2002

% Representation by Designated Group



Hiring of Regular Employees
January 2001 to January 2002



NOTES: (1) Some historical data have been adjusted in order to reflect organizational changes that have occurred in previous periods. Where adjustments have been made, representation rates may not match historical reports.

(2) Meaningful data for ML9 - ML12 cannot be produced for ministries for periods prior to January 1999 due to reorganization of government.

Regular Employees Hired from Under-represented Groups — January 1998–January 2002

Designated Groups	January 1998 – January 1999		January 1999 – January 2000		January 2000 – January 2001		January 2001 – January 2002	
	Total # Hired	% of total hired	Total # Hired	% of total hired	Total # Hired	% of total hired	Total # Hired	% of total hired
Visible Minorities	167	9	229	12	250	13	152	12
Aboriginal People	64	4	40	2	73	4	36	3
Persons with Disabilities	41	2	55	3	53	3	40	3
Total Hired	**1,853**		**1,901**		**1,980**		**1,249**	

Hiring Rate* of Under-represented Groups — Regular Employees (January 1996 – January 2002)

	All Government	Aboriginal	Visible Minorities	Employees with Disabilities
1996	9.8	11.9	9.3	5.9
1997	7.8	8.0	9.4	3.6
1998	4.4	4.7	6.0	2.5
1999	5.7	10.8	8.4	2.2
2000	5.8	6.6	10.8	3.0
2001	6.0	11.1	11.1	2.9
2002	3.8	5.2	6.3	2.2

*Hires as a percent of employees.

Movement of Employees — January 2001 - January 2002

		Regular			Auxiliary		
		Women	Men	Total	Women	Men	Total
Employed January 2001 (not adj. for reorg.)		18,604	14,493	33,097	4,191	1,960	6,151
Employed July 2001		18,786	14,452	33,238	4,659	3,080	7,739
Employed January 2002		18,893	14,328	33,221	3,663	1,773	5,436
Hiring							
Hired from Outside[2]	**Number**	784	465	1249	2,242	1,914	4,156
	% Share	62.8	37.2	100.0	53.9	46.1	100.0
Total New Hires	**Number**	**784**	**465**	**1,249**	**2,242**	**1,914**	**4,156**
	% Share	**62.8**	**37.2**	**100.0**	**53.9**	**46.1**	**100.0**
Changed Status from Auxiliary to Regular[1]	**Number**	849	379	1228			
	% Share	69.1	30.9	100.0			
Total New Regulars	**Number**	**1,633**	**844**	**2,477**			
	% Share	**65.9**	**34.1**	**100.0**			
Separations							
Retired	**Number**	164	207	371	3	2	5
	% Share	44.2	55.8	100.0	60.0	40.0	100.0
Left BC Gov't for Other Reason[2]	**Number**	700	462	1,162	1,851	1,706	3,557
	% Share	60.2	39.8	100.0	52.0	48.0	100.0
Total Separations	**Number**	**864**	**669**	**1,533**	**1,854**	**1,708**	**3,562**
	% Share	**56.4**	**43.6**	**100.0**	**52.0**	**48.0**	**100.0**
Promotions							
Promoted Within Same Ministry	**Number**	2,232	1,608	3,840	248	195	443
	% Share	58.1	41.9	100.0	56.0	44.0	100.0
Promoted from Other Ministry	**Number**	339	142	481	57	24	81
	% Share	70.5	29.5	100.0	70.4	29.6	100.0
Total Promotions	**Number**	**2,571**	**1,750**	**4,321**	**305**	**219**	**524**
	% Share	**59.5**	**40.5**	**100.0**	**58.2**	**41.8**	**100.0**

[1] Any employee who both moved between ministries and changed from Auxiliary to Regular is only counted once as "Moved to/from other Ministry."

[2] Hired from Outside and Left BC Govt for Other Reason include employees who are on seasonal recall/layoff

Movement of Employees — January 2001 - January 2002

		Regular			Auxiliary		
		Women	Men	Total	Women	Men	Total
Employed January 2001 (not adj. for reorg.)		18,604	14,493	33,097	4,191	1,960	6,151
Employed July 2001		18,786	14,452	33,238	4,659	3,080	7,739
Employed January 2002		18,893	14,328	33,221	3,663	1,773	5,436
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	% Share	59.5	40.5	100.0	58.2	41.8	100.0

Any employee who both moved between ministries and changed from Auxiliary to Regular is only counted once as "Moved to/from other Ministry"

Hired from Outside and Left BC Govt for Other Reason include employees who are on seasonal recall/layoff

Employee Insurance Benefits Costs

Benefit	1996-97		1997-98		1998-99		1999-00		2000-01	
	Cost $M	% Change	Cost $M	% Change	Cost $M	% Change	Cost $M	% Change	Cost $M	% Change
Extended Health	**14.0**	**9.6**	**19.6**	**39.3**	**21.2**	**8.6**	**23.4**	**10.1**	**26.9**	**15**
Dental	**33.2**	**1.2**	**32.3**	**(2.8)**	**30.1**	**(6.7)**	**31.2**	**3.6**	**32.3**	**3.5**
Medical	**33.6**	**3.3**	**35.3**	**4.9**	**31.9**	**(9.6)**	**31.6**	**(0.9)**	**32.2**	**1.9**
Group Life	**8.5**	**(8)**	**7.5**	**(12.1)**	**10.1**	**35**	**8.9**	**(8.8)**	**10.5**	**17.8**
Long Term Disability	**27.4**	**5.5**	**25.3**	**(7.8)**	**28.6**	**13**	**31.7**	**10.9**	**35.3**	**11.4**
TOTAL	**116.7**		**120**		**121.9**		**126.8**		**137.2**	

This table reflects the cost for all members in the plans and includes participating public sector as well as public service employees

Job Competitions Posted Across Government — 2001-2002

			Bargaining Unit						
Ministry Name	**No. of Competitions**	**Number of Positions**	**GEU**	**PEA**	**BCNU**	**UPN**	**Excluded**	**In Service**	**Out of Service**
Aboriginal Affairs	12	12	7	0	0	0	5	10	2
Advanced Education	24	26	25	0	0	0	1	11	15
Agriculture, Food & Fisheries	22	24	16	4	0	0	4	7	17
Attorney General & Min. Resp. for Treaty Negot'n.	31	35	27	0	0	0	8	26	9
Children & Family Development	319	366	303	16	0	0	31	192	174
Community Development, Cooperatives & Volunteers	5	5	3	0	0	0	2	4	1
Community, Aboriginal & Women's Services	10	12	8	0	0	0	4	9	3
Competition, Science and Enterprise	3	3	2	0	0	0	1	2	1
Education	19	19	17	0	0	0	2	15	4
Energy & Mines	13	13	11	2	0	0	0	4	9
Finance	73	91	44	0	0	0	47	32	59
Fisheries	8	8	8	0	0	0	0	5	3
Forests	139	143	91	27	0	0	25	93	50
Health Planning	3	3	1	0	0	0	2	2	1
Health Services	110	115	82	0	0	0	33	53	62
Human Resources	110	119	105	0	0	0	14	108	11
Management Services	2	2	0	0	0	0	2	0	2
Provincial Revenue	7	7	4	0	0	0	3	4	3
Public Safety & Solicitor General	221	239	158	0	0	0	78	151	88
Skills, Development & Labour	12	15	13	0	0	0	2	6	9
Small Business, Tourism & Culture	13	14	11	0	0	0	3	9	5
Sustainable Resources Management	4	4	1	0	0	0	3	1	3
Transportation	53	56	49	1	0	0	6	46	12
Water, Land & Air Protection	66	69	40	7	0	0	22	37	32
Women's Equality	4	4	4	0	0	0	0	2	2
Auditor General	2	6	0	0	0	0	6	0	6
BC Assets & Land Corporation	9	10	5	2	0	0	3	3	7
BC Mental Health - Riverview	35	39	26	4	1	4	0	20	19
BC Pension Corporation	10	15	15	0	0	0	0	3	12
BC Transit Financing Authority	1	1	1	0	0	0	0	0	1
Child, Youth & Family Advocate	2	2	0	0	0	0	2	0	2
Elections BC	2	3	0	0	0	0	3	0	3
Env. Assessment/Land Use Coord. Office	3	4	4	0	0	0	0	2	2
Environment'l Boards & Forest Commission	1	1	1	0	0	0	0	1	0
Forensic Psychiatric Services Commission	30	30	15	1	0	2	3	21	9
Forest Practices Board	1	1	0	0	0	0	1	1	0
Forest Renewal BC	4	4	2	0	0	0	2	2	2
Information & Privacy Commissioner	1	1	0	0	0	0	1	1	0
Information, Science & Technology Agency	19	20	18	0	0	0	2	9	11
Intergovernmental Relations	1	1	0	0	0	0	1	1	0
Liquor Distribution Branch	23	24	13	0	0	0	11	9	15
Lodge at Broadmead (Tillicum & Veterans Care)	10	13	5	3	0	0	2	0	13
Oak Bay Lodge	4	10	1	0	4	0	1	0	10
Office for the Premier	1	1	0	0	0	0	1	1	0
Ombudsman	1	1	0	0	0	0	1	0	1
Police Complaints Commissioner	3	3	0	0	0	0	3	2	1
Provincial Capital Commission	2	2	2	0	0	0	0	0	2
Public Service Employee Relations Commission	32	37	11	0	0	0	26	18	19
Royal BC Museum	6	6	4	0	0	0	2	0	6
TOTALS	**1,474**	**1,629**	**1,146**	**67**	**5**	**6**	**366**	**913**	**716**

Job Competitions Posted Across Government — 2001-2002

Ministry Name	No. of Competitions	Number of Positions	Bargaining Unit				Excluded	In Service	Out of Service
			GEU	PEA	BCNU	UPN			
Aboriginal Affairs	12	12	7	0	0	0	5	10	2
Advanced Education	24	26	25	0	0	0	1	11	15
Agriculture, Food & Fisheries	22	24	18	4	0	0	4	7	17
Attorney General & Min. Resp. for Treaty Negot'n	31	35	27	0	0	0	8	26	9
Children & Family Development	319	366	303	18	0	0	31	192	174
Community Development, Cooperatives & Volunteers	5	5	3	0	0	0	2	4	1
Community, Aboriginal & Women's Services	10	12	8	0	0	0	4	9	3
Competition, Science and Enterprise	3	3	2	0	0	0	1	2	1
Education	19	19	17	0	0	0	2	15	4
Energy & Mines	13	13	11	2	0	0	0	4	9
Finance	73	91	44	0	0	0	47	32	59
Fisheries	8	8	8	0	0	0	0	5	3
Forests	139	143	91	27	0	0	25	93	50
Health Planning	3	3	1	0	0	0	2	2	1
Health Services	110	115	82	0	0	0	33	53	62
Human Resources	110	119	105	0	0	0	14	108	11
Management Services	2	2	0	0	0	0	2	0	2
Provincial Revenue	7	7	4	0	0	0	3	4	3
Public Safety & Solicitor General	221	239	158	0	0	0	78	151	88
Skills, Development & Labour	12	15	13	0	0	0	2	6	9
Small Business, Tourism & Culture	13	14	11	0	0	0	3	9	5
Sustainable Resources Management	4	4	1	0	0	0	3	1	3
Transportation	53	58	49	1	0	0	8	46	12
Water, Land & Air Protection	66	69	40	7	0	0	22	37	32
Women's Equality	4	4	4	0	0	0	0	2	2
Auditor General	2	6	0	0	0	0	6	0	6
BC Assets & Land Corporation	9	10	5	2	0	0	3	3	7
BC Mental Health - Riverview	35	39	26	4	1	4	0	20	19
BC Pension Corporation	10	15	15	0	0	0	0	3	12
BC Transit Financing Authority	1	1	1	0	0	0	0	0	1
Child, Youth & Family Advocate	2	2	0	0	0	0	2	0	2
Elections BC	2	3	0	0	0	0	3	0	3
Env. Assessment/Land Use Coord. Office	3	4	4	0	0	0	0	2	2
Environment'l Boards & Forest Commission	1	1	1	0	0	0	0	1	0
Forensic Psychiatric Services Commission	30	30	15	1	0	2	3	21	9
Forest Practices Board	1	1	0	0	0	0	1	1	0
Forest Renewal BC	4	4	2	0	0	0	2	2	2
Information & Privacy Commissioner	1	1	0	0	0	0	1	1	0
Information, Science & Technology Agency	19	20	18	0	0	0	2	9	11
Intergovernmental Relations	1	1	0	0	0	0	1	1	0
Liquor Distribution Branch	23	24	13	0	0	0	11	9	15
Lodge at Broadmead (Tillicum & Veterans Care)	10	13	5	3	0	0	2	0	13
Oak Bay Lodge	4	10	1	0	4	0	1	0	10
Office for the Premier	1	1	0	0	0	0	1	1	0
Ombudsman	1	1	0	0	0	0	1	0	1
Police Complaints Commissioner	3	3	0	0	0	0	3	2	1
Provincial Capital Commission	2	2	2	0	0	0	0	0	2
Public Service Employee Relations Commission	32	37	11	0	0	0	26	18	19
Royal BC Museum	6	6	4	0	0	0	2	0	6
TOTALS	1,474	1,629	1,146	67	5	6	366	913	716

Appendices

Appendix A: Legislation Administered

Public Service Act

The *Public Service Act* was revised in 1993, following recommendations by the Korbin Commission of Inquiry into the Public Service and Public Sector. The *Act* established the Commission as a new centralized human resource agency responsible for all personnel and labour relations matters in the public service. Under the *Act*, the Commission has the authority to delegate some or all of these human resources functions to ministries. This gave the Commission new responsibilities such as employment equity, management and executive development, and a new human resource management information system. The *Act* established the Public Service Appeal Board, to hear appeals from appointment decisions.

Public Service Labour Relations Act

The *Public Service Labour Relations Act* regulates specific labour relations in the provincial government. The *Act* allows for employees to be included in one of three bargaining units for the purposes of collective bargaining - one for nurses, one for professionals and one for the rest of the public service. The *Act* covers such things as union certification, master and component agreements, exclusions from bargaining units, and the content of collective agreements.

Public Service Benefit Plan Act

The *Public Service Benefit Plan Act*, 1979, allows the provincial government to provide group benefits and other insurance coverage to employees of ministries, Crown corporations, agencies, boards and commissions: group life insurance, extended health insurance, dental plan benefits, long term disability benefits, and coverage under the provincial medical plan. The government may enter into contracts with insurance companies to provide these benefits, appropriate money to fund the coverage, and set regulations regarding the terms of the insurance benefits created under the *Act*.

Public Service Bonding Act

The *Public Service Bonding Act* was passed in 1979 from the consolidation of two Acts, the *Public Officer's Security Act* (1918) and the *Custody of Security Act* (1940). The *Public Service Bonding Act* is currently under review to determine its applicability in today's environment.

Appendix B: Glossary of Terms

arbitration — dispute resolution method where an independent, neutral third person is appointed to hear the arguments of all parties and render a binding decision

auxiliary position — position where the work is not of a continuous nature

bargaining unit — a unit of employees deemed appropriate for collective bargaining under legislation

BCGEU — British Columbia Government and Service Employees' Union

BCNU — British Columbia Nurses Union

CHIPS — Corporate Human Resource Information and Payroll System

collective agreement — contract that is the result of collective bargaining

collective bargaining — negotiation of wages and other issues by a bargaining unit

competencies — any motive, attitude, skill, knowledge, behaviour or other personal characteristic that is:

- essential to perform the job; or
- differentiates solid from superior performers

competition — a formal assessment of applicants for a vacant position

competition appeal — the formal grievance process provided for an unsuccessful applicant in a competition who believes the principle of merit has not been met

ERP — Employee Recognition Program

excluded employees — employees who are excluded from collective bargaining

FTE (Full Time Equivalent) — employment of one person for one full year or equivalent. For example, two half-time employees working for one year would be one FTE

GEHS — Government Employee Health Services

in-service — job competitions limited to eligible B.C. government employees

job classification — a hierarchical structure of jobs, usually arranged into classes or pay grades according to some form of job evaluation

job evaluation — a formal process in which management determines the relative value of different jobs within an organization

lateral transfers — movement of an employee from one position to another that does not constitute a demotion or a promotion

LTD — Long Term Disability Plan is a benefit plan for employees who are unable to work because of illness or injury for longer than seven months

merit — personal assessment based on competency, which includes the following factors: education, experience, knowledge, skills, past work performance and continuous service. Patronage is not a factor

out-of-service — job competitions open to the public and B.C. government employees

PEA — Professional Employees' Association

reasonable accommodation — a legal term where an employer must take reasonable measures to accommodate an employee with a special need or disability

regular position — a position where the work is of a continuous full-time or part-time nature

rehab committee — Rehabilitation Committee, the union/management committee that reviews illness and injury cases and recommends rehabilitation plans

severance — an employee is terminated with a notice period or paid an amount of money instead of a notice period

STIIP — Short Term Illness & Injury Plan is a benefit plan for employees who are unable to work because of illness or injury for less than seven months

UPN — Union of Psychiatric Nurses

WCB — Workers' Compensation Board

workforce adjustment — activities involved in finding alternate jobs for employees whose positions are made surplus

Ministry of
Provincial Revenue

2001/02
Annual Report
A New Era Update

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**Ministry of
Provincial Revenue**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Provincial Revenue.
Annual Report. — 2001/02 -

Annual.
"A new era update".
Also available on the Internet.
Report year ends Mar. 31.
ISSN 1703-304X = Annual Report - British Columbia. Ministry of Provincial Revenue
Continues in part: British Columbia. Ministry of Finance and Corporate Relations. Annual performance report. ISSN 1499-0962.

1. Finance, Public - British Columbia - Periodicals. 2. Fiscal policy - British Columbia - Periodicals. 3. Revenue - British Columbia - Periodicals. I. Title. II. Title: British Columbia. Ministry of Provincial Revenue ... annual report.

J13.B8B74 352.4'09711'05 C2002-960162-2

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Published by the Ministry of Provincial Revenue
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Provincial Revenue Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Bill Barisoff
Minister of Provincial Revenue

July 11/02

BRITISH
COLUMBIA

Ministry of Provincial Revenue

On June 5, 2001 I was appointed Minister of Provincial Revenue, a new ministry created with a single focus on effective and efficient collection of tax revenue, stumpage revenue, overdue payments for various fees and loans, and oil, gas and mineral revenues. In recent years there has been a sharp increase in overdue accounts receivable and the ministry's creation is intended to reverse this trend.

Collection of revenue is important because it is these revenues which fund government programs. In the past, with tax and debt collection responsibility found in a number of ministries, it was often treated as a lower priority than program delivery. For my ministry it is our priority.

The efficient collection of revenue serves another purpose as well. While we work to encourage voluntary compliance we also want to make sure that all taxpayers and debtors are treated equitably. We devote significant resources to identify and pursue individuals and corporations that have not complied with provincial tax legislation or terms and conditions of loans. This effort helps produce significant amounts of revenue.

While we had a good first year, there remains work to be done. There remain many different revenue collection systems in government and we need to continue to explore, with taxpayers, how to streamline our activities in a way which reduces their costs and improves efficiency. Fortunately, the staff in the ministry, most of which I have had the pleasure of meeting, are committed and dedicated individuals who work hard every day in support of our ministry's objective.

Bill Barisoff
Minister

Message from the Deputy Minister

Although the Ministry of Provincial Revenue is new, its revenue collection activities are not. Every achievement detailed in this annual report reflects the hard work of a seasoned, dedicated team. Our success in the past year and in future years will depend on their constant focus on achieving our performance targets. Management's job is to ensure that staff has the tools they need to succeed.

In reviewing our performance over the past year, as documented in this report, it is easy to forget that what was accomplished occurred during a time when the ministry was created and reorganized, during a time when we brought 118 new staff into the ministry and also in a time when the fiscal realities facing the government created a significant amount of uncertainty. It is a testament to the professionalism and dedication of all ministry employees that we accomplished as much as we did during 2001/02 fiscal year.

I would like to use this opportunity to extend my thanks to all staff in the ministry for their support over the past year. As our new ministry heads into its second year, management will work hard on developing and implementing a new human resource plan to ensure that we have the skills, abilities and opportunities required to meet future challenges.

Chris Trumpy

Chris Trumpy
Deputy Minister

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Year-at-a-Glance Highlights 2001/2002

- The Ministry of Provincial Revenue was established June 5, 2001 to focus on tax and revenue collection and administration.
- The Ministry three year service plan released February 19, 2002 highlights the focus of the ministry on fair and equitable treatment of clients.
- The ministry exceeded its revenue targets for 2001/2002.
- The ministry was reorganized into three divisions effective January 17, 2002.

Ministry key achievements for fiscal 2001/02:

Received the 2001 Public Service Information Technology Award in the category of Public Value for the successful implementation of the CTB21 Project, commonly known as Taxpayer Administration and Compliance System.

Attracted forty hard-to-recruit auditors through an innovative electronic applicant system, Vision 2Hire, which provided an increased ability to attract, interview and respond to applicants electronically.

BC Energy Rebate Implemented — granted individuals up to $100 to cover rising costs of energy. Project included drafting of legislation, negotiation of CCRA administration contract and payments to over 1.13 million recipients for over $76.5 million.

In partnership with the Ministry of Finance, designed and implemented the production machinery and equipment exemption, including drafting required legislative and public information materials. Extensive industry consultations resulted in additional legislative improvements.

Began the collection of overdue MSP premiums commenced in July 2001 and overdue Ambulance fees commenced in October 2001.

Supported taxpayer compliance through audit programs, recovering $87.6 million in fiscal 2001/02.

Income Tax Audit Revenue set a new record for audit assessment revenue of over $67 million.

Collection targets for student debt accounts and overdue BC Benefits overpayment or loans were met or exceeded. Notably, the cost-to-revenue ratio was lower than the target established for student debt.

Converted natural gas royalties from a self-assessing to invoicing system. This has increased electronic collection of natural gas royalty revenue from 0% in April 2001 to 75% in January 2002.

Established a Special Investigations Section to pursue court prosecutions for the most willful, repeated and flagrant violations of the consumption statutes.

Implemented a core competencies model to provide both staff and management with a tool for managing training, career planning and development.

Implemented a new Ministry organization structure by forming three divisions, namely, Strategic Initiatives and Administration, Revenue Programs and Collection and Loan Management.

Ministry Divisions' Accountability and Accomplishments

This section of the annual report is devoted to the efforts of the Ministry's branches and divisions by highlighting their major accountabilities and accomplishments during the fiscal year.

The Ministry of Provincial Revenue has three main divisions:

- Strategic Initiatives and Administration
- Revenue Programs
- Collection and Loan Management

In addition, some of the divisions have included summaries that represent their work while transitioning from their former Ministries to the new Ministry of Provincial Revenue. The scale of the reporting varies as does the size and scope of each area.

Strategic Initiatives and Administration Division

Strategic Initiatives and Administration Division provides the Ministry with strategic planning, financial and budget management, billing, receivables and payment processing of $9.5 billion in tax revenue, system development, administrative support functions and interaction with central government agencies. In addition, the division is responsible for appeals, assessments, disallowed refunds or decisions of the administrator or commissioner. The division consists of Strategic Initiatives Branch, Appeals Branch, Corporate Services Branch, Billings and Receivable Branch and Information Systems Branch.

Major Accomplishments Fiscal 2001/02

Completed count of requirements for Ministry of Deregulation and determined baseline to be 16,093.

Introduced and started the Infrastructure project to upgrade all desktops, servers and databases to fully supported releases of products.

Initiated and established a corporate Disaster Recovery Planning (DRP) Framework.

Adapted the ISB organization to accommodate the four (4) new branches: Collection Loans Management Branch, Home Owner Grant, Mineral Oil & Gas and Forest Revenue.

Completed the space re-plan in the lower mainland to accommodate the additional resources.

Consolidated appeal responsibilities formerly located in two branches and established targets for reducing backlogs.

Developed a corporate operational records classification system.

Implemented a client service model between SIA and other division using partnership agreements for processing requirements.

Promoted effective leadership by having eight employees attend Royal Roads leadership training.

Promoted employee motivation and a skilled workforce by having five hundred and one employees attend cost-effective internal training.

Promote harmonious work environment through pro-active and co-operative working relationships with union representatives to successfully achieve timely responses to grievances and employee/employer issues.

Open communication was encouraged by providing management/employee workforce adjustment information sessions to impacted and non-impacted staff.

Employees engaged in workforce planning with sixty-nine employees attending group and twenty-nine employees attending individual retirement planning sessions.

Attracted forty hard-to-recruit auditors through an innovative electronic applicant system, Vision 2Hire, which provided an increased ability to attract, interview and respond to applicants electronically.

Contributed to overall government improvement through providing Pubic Service Employees Relation Commission (PSERC) with Vision 2Hire findings to assist in developing a new applicant inventory system.

Increased employee organizational knowledge base through sixty-eight new employees attending a one-day Ministry orientation.

Implemented a core competencies model to provide both staff and management with a tool for managing training, career planning and development.

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Revenue Programs Division

The Revenue Programs Division consolidates the revenue administration branches of the ministry to provide fair, efficient and equitable revenue administration. The division consists of the Income Taxation Branch, the Consumer Taxation Branch, the Real Property Taxation Branch, the Forest Revenue Branch and the Mineral Oil and Gas Revenue Branch.

The establishment of a Revenue Programs Division in January 2002 effectively consolidates the ministry's tax and natural resource revenue administration activities. The division represents a key business area of government where, in addition to benefit administration, revenue administration activities are balanced among taxpayer and client assistance, education and service on one hand with compliance activities on the other hand. With annual gross revenue of over $9.5 billion, the division's programs are the largest source of provincial revenues, required to support public services to meet the needs of citizens in British Columbia.

Major Accomplishments for Fiscal 2001/02

Supported taxpayer compliance through audit programs, recovering $87.6 million in fiscal 2001/02.

T1 Residency Project — Started and Completed a joint pilot project with CCRA to determine if individuals resident in BC are incorrectly filing income tax returns in other provinces. Initial pilot project resulted in approximately $7 million in adjustments. Phase II of pilot project began in April 2002.

Integrated the Accounts Team into the Collections Section to enhance service to non-compliant taxpayers and improve efficiency in business processes.

Established a Special Investigations Section to pursue court prosecutions for the most willful, repeated and flagrant violations of the statutes.

In partnership with the Ministry of Finance, designed and implemented the production machinery and equipment exemption, including drafting the required legislative and public information materials. Extensive industry consultations resulted in additional legislative improvements.

Recognized by being awarded the 2001 Public Service Information Technology Award in the category of Public Value for the successful implementation of the CTB21 Project.

Reduced red tape by removing the limitation on the number of decals that International Fuel Tax Agreement carriers can obtain, thereby reducing the administrative burden on carriers.

Processed 29,420 refund claims for all consumption taxes.

On-time issuance of 364,000 rural property tax notices for $546 million; on-time issuance of 154 municipal tax notices for school taxes totalling $1,496 million.

Income Tax Audit Revenue set a new record for audit assessment revenue of over $67 million.

Initiated ability to pay forest accounts through electronic funds transfer. Over $85 million paid electronically to date.

BC Energy Rebate Implemented — granted individuals up to $100 to cover rising costs of energy. Project included drafting of legislation, negotiation of CCRA administration contract and payments to over 1.13 million recipients for over $76.5 million.

Legislation Amendments — Implemented personal income tax cuts, introduced the Mining Flow Through Share Tax Credits, changes to general corporate tax rates, and changes to corporate small business deduction. In addition, the Corporation Capital Tax Act was amended to phase out tax on general corporations and streamline remaining legislation applicable to financial institutions.

Continually improved the operations of the Collections Section, resulting in record payment recoveries at $90.2 million.

Efficiency in cash management obtained through transition from Ministry of Forests to Ministry of Provincial Revenue.

Converted natural gas royalties from a self-assessing to invoicing system. This has increased electronic collection of natural gas royalty revenue from 0% in April 2001 to 75% in January 2002.

Implemented electronic submission of reports on "Commencement or Suspension of Well Operations" for oil and gas wells. This has reduced the proportion these reports being submitted on paper from 100% in February 2001 to almost 0% in February 2002, and has provided industry with easy means of accessing information about individual wells.

Forest Renewal BC (FRBC) — Continued coordination and calculation of payments under Phase I of the FRBC agreement negotiated in 2000, and coordinated the negotiation and implementation of the protocol agreement for Phase II of the FRBC agreement.

Developed Employee Learning and Development Plans for staff by identifying core competencies for each position and assessing each staff member's current development against the competencies. The branch is now positioned to deliver individualized learning and development plans.

The following reporting for Revenue Programs Division is presented to complete the division's accountabilities under the former Ministry of Finance and Corporate Relations 2000/01 Performance plan.

Ministry of Finance and Corporate Relations — 2000/01 Performance Plan	Target	Fiscal 2001/2002 Actual Performance
Annual number of taxpayer telephone inquiries	195,000	188,887
Annual 10% increase in Website visits	175,000	663,962
Annual 10% increase in Website hits	2,500,000	2,520,685

The following reporting provides a comparison of Revenue Programs Division's performance in fiscal 2001/02 to relevant performance measures contained in Ministry service plan for 2002/03 to 2004/05.

Ministry of Provincial Revenue Service Plan Performance Measures	Fiscal 2001/2002 Actual Performance[2]	Fiscal 2002/03 Target
Percentage of on-time payments	84.3%	85.0%
Number of audits performed	167,018	143,500
Annual assessment per auditor	$744,506	$500,000
Annual account receivable revenue per collector	$4,791,462	$2,500,000
Ratio of overdue tax (> 90 days) accounts receivable to total tax accounts receivable	40.3%	45.0%
Percentage of receipts made electronically	25.7%	28.7%
Percentage of revenue received electronically	53.6%	58.0%

Achievements of Performance Targets for Revenue Programs Division for 2001/02

TARGET: Continued a pilot program that uses private collection agencies.

PROGRESS: Concluded initial contract. Evaluating results.

TARGET: Reviewed business processes as part of the implementation of a new consumption tax system to identify opportunities to improve efficiency.

PROGRESS: Completed. Outcomes rolled into the CTB21 Project and TACS system.

TARGET: Monitored online processing of audit assessments to ensure accurate results.

PROGRESS: Online processing of audit assessments were monitored and found to be accurate. Monitoring ended. CTB audit staff were increased by one full team of 22 auditors in Vancouver to help ensure the timely recovery of revenue.

TARGET: Improved management reporting.

PROGRESS: Information Warehouse work continues to provide a wide and large variety of timely management reports using data contained in the new TACS system.

TARGET: Better service for taxpayers that call.

PROGRESS: Building on the increased service to taxpayers through the telephone tree installed in fiscal 2000/01, the system was further upgraded with the ability to install eight additional telephones at the CTB call centre during times of heavy volume, e.g., new legislative initiatives. In addition, the Collection Section will be installing an automated call distribution system.

TARGET: Complete the TACS system by December 2000.

PROGRESS: The TACS system is fully implemented and contributing significantly to the reduction of administrative burden and increasing revenue collected.

TARGET: Develop and improve the standards, navigation, content and functionality of the division's current web sites to provide more information and services to taxpayers.

PROGRESS: CTB website was invaluable in providing complete, accurate, and timely information regarding the 2001 Budget, the July 2001 Economic and Fiscal Update, and the 2002 Budget. There are over 3,900 subscribers to the site's automatic update service. The number of forms and information has also increased. 1,800 new businesses registered electronically via the Internet to collect tax. ITB continued to upgrade and improve its site, resulting in over 111,000 visitors. Nearly 600 users subscribe to the site's update service.

TARGET: Expand with Canada Customs and Revenue Agency (CCRA) the recovery of more outstanding debts through the federal set-off process.

PROGRESS: CCRA set off program for the fiscal year ending March 31, 2002 with ITB: approximately $125,000 collected, 350 accounts, no new components added within the last year. CTB Collections off-set program with CCRA recovered $92,648.

TARGET: Expand the collection of SST at the border to include goods brought into BC through the commercial stream.

PROGRESS: CTB will be meeting with CCRA to review options for this program in view of concerns raised with respect to its impact on international trade.

TARGET: Maintain or enhance tobacco enforcement programs.

PROGRESS: Undertook the redrafting of the *Tobacco Tax Act* regulations to implement the blackstock tobacco program. Under this program all tobacco intended for an exempt sale in British Columbia must bear a particular mark, referred to as blackstock. Public information materials were developed for tobacco wholesalers, tobacco retailers, and exempt-sale retailers.

TARGET: Continue to expand and refine collection strategies, methods and reporting.

PROGRESS: Maintained a strategic audit plan to focus audit resources in the areas of highest potential recovery. CTB Dawson Creek office program focused on OOP contractors working in the oil and gas industry. Audit recovery was $460,000. Out-of-province businesses meeting the broader registration and tax-collection requirements (those who solicit business, accept orders for and make sales to BC residents, and cause tangible personal property to be delivered into BC — introduced in 2000/01) were contacted by letter and asked to register. Some were also selected for audit. Development of tobacco tax desk audit program to review collectors' returns to increase voluntary compliance. A similar desk audit program for motor fuel identified over $315,000 in recoveries.

F-9

TARGET: Work with advisory group and other stakeholders to identify issues to be resolved through the legislative process.

PROGRESS: Revenue Programs Advisory Committee (RPAC) meets to discuss issues of importance. RPAC's Audit Subcommittee worked audit protocol agreement, 10% penalty on subsequent audit, a netting audit and refund tax prior to interest calculation. Its Legislative Subcommittee is developing a process through which tax policy issues can be addressed by CTAC. The Fuel Tax Subcommittee works in conjunction with the branch Fuel Tax Review Project to optimal tax collection point, the coloured fuel program, reporting requirements and enforcement. The Tobacco Tax Subcommittee has developed and added to CTAC the reporting requirements for the blackstock tobacco. Finally, the Process Streamlining Subcommittee is developing a proposal concerning a "remote stores policy" for tax-exempt purchase by status Indians and Indian Bands and reviewing vendor commission rates for social service tax.

Collection and Loan Management

Collection and Loan Management provides professional and cost-effective collection and loan administration services to government ministries and Crown agencies to maximize revenue from government's overdue receivables and loan assets. Collection and Loan Management was designated the central debt collector for non-tax accounts receivable in 2000. At the end of the year, CLMB had approximately $185 million in accounts receivable and $490 million in commercial loans and guarantees under its administration.

Accomplishments for Fiscal 2001/02 include:

The collection targets for Student Debt ($10.4 million) accounts and overdue BC Benefits ($3.0 million) overpayment or loans were met or exceeded ($10.4 million and $4.8 million respectively).

The cost-to-revenue ratio was lower than the target established for both Student Debt and BC Benefits.

The use of the Canada Customs and Revenue Agency to recover debts owed to the province was expanded to BC Benefits overpayments and overdue Medical Service Plan (MSP) premiums.

The value of BC Benefit overpayments transferred for collection doubled from the previous fiscal year.

The collection of overdue MSP premiums commenced in July 2001 and overdue Ambulance fees commenced in October 2001.

An internet/telephone banking process and an automated telephone call distribution system were implemented to improve client service.

The use of collection agencies was increased and the infrastructure necessary to improve and monitor collection agency performance was significantly enhanced.

Home Owner Grant Administration Branch

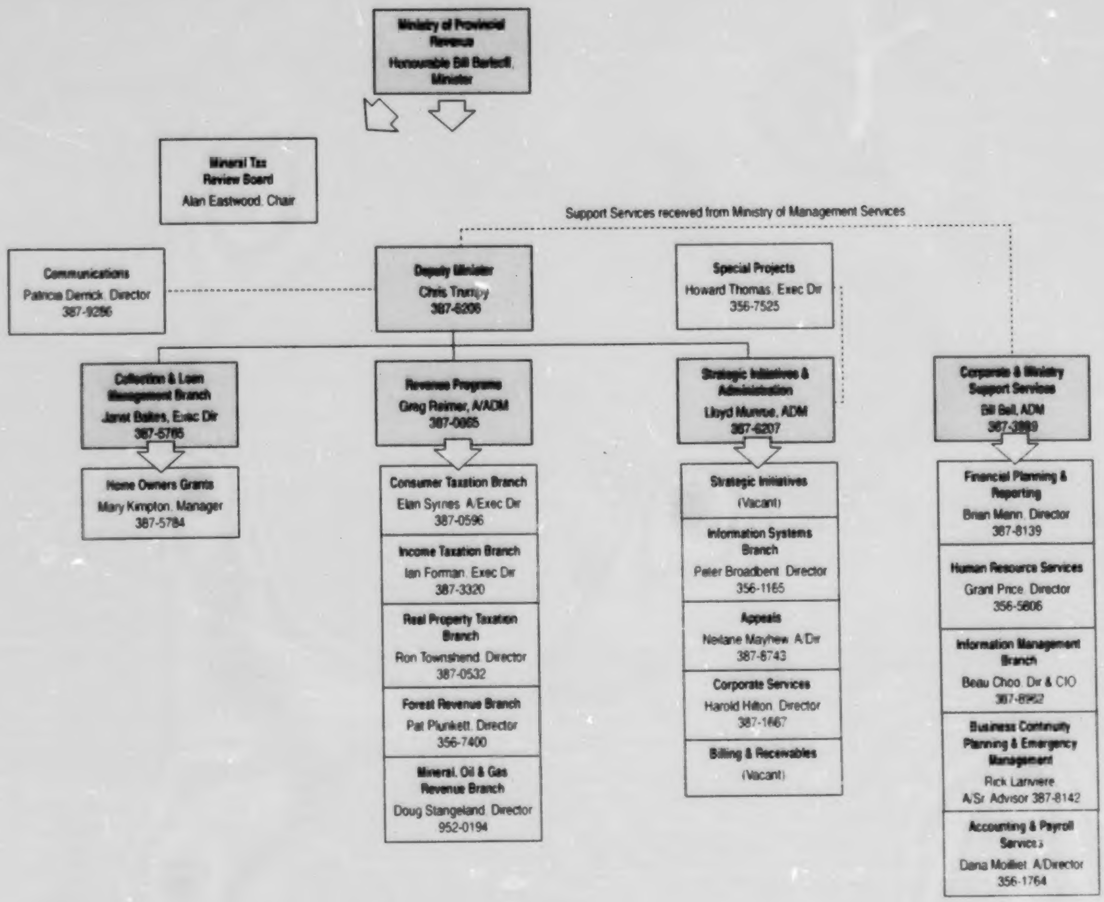
With the government reorganization, the Home Owner Grant Administration Branch was transferred to the ministry under the direction of Collection and Loan Management. The Home Owner Grant Program provides property tax relief to approximately 950,000 residents of British Columbia. Local governments and the Ministry administer the program in rural areas. The Home Owner Grant Administration Branch ensures the program is administered in a fair and equitable manner, has the authority to consider appeals, and audits grant claims.

In 2002/02 the branch audited 1,600 claims and recovered approximately $1 million.

Special Projects Office

A Special Projects Office was set up reporting directly to the Deputy Minister's office in January 2002. The purpose of the office is to develop a work plan to reduce the number of revenue systems in government and examine the feasibility of a corporate accounts receivable system across government.

Ministry of Provincial Revenue Organizational Chart


Ministry of Provincial Revenue
Honourable Bill Barisoff, Minister
Mineral Tax Review Board
Alan Eastwood, Chair
Support Services received from Ministry of Management Services
Communications
Patricia Derrick, Director
387-9286
Deputy Minister
Chris Trumpy
387-6206
Special Projects
Howard Thomas, Exec Dir
356-7525
Collection & Loan Management Branch
Janet Baikes, Exec Dir
387-5765
Home Owners Grants
Mary Kimpton, Manager
387-5784
Revenue Programs
Greg Reimer, A/ADM
387-0065
Consumer Taxation Branch
Elan Symes, A/Exec Dir
387-0596
Income Taxation Branch
Ian Forman, Exec Dir
387-3320
Real Property Taxation Branch
Ron Townshend, Director
387-0532
Forest Revenue Branch
Pat Plunkett, Director
356-7400
Mineral, Oil & Gas Revenue Branch
Doug Stangeland, Director
952-0194
Strategic Initiatives & Administration
Lloyd Munroe, ADM
387-6207
Strategic Initiatives
(Vacant)
Information Systems Branch
Peter Broadbent, Director
356-1165
Appeals
Neilane Mayhew, A/Dir
387-8743
Corporate Services
Harold Hilton, Director
387-1667
Billing & Receivables
(Vacant)
Corporate & Ministry Support Services
Bill Bell, ADM
387-3889
Financial Planning & Reporting
Brian Mann, Director
387-8139
Human Resource Services
Grant Price, Director
356-5806
Information Management Branch
Beau Choo, Dir & CIO
387-8952
Business Continuity Planning & Emergency Management
Rick Lanviere
A/Sr Advisor 387-8142
Accounting & Payroll Services
Dana Moillet, A/Director
356-1764

2001/02 Resource Summary

[illegible]	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Vote 39					
Minister's Office	382		382	314	68
Taxation Revenue	40,504		40,504	40,368	136
Natural Resources	4,296		4,296	4,265	31
Home Owner Grant	4,541		4,541	3,679	862
Collection and Loan Management Branch	1	—	1	(164)	165
	1	—	1	—	—
Total Vote 39	**49,724**	—	**49,724**	**48,462**	**1,262**
Special Accounts					
Provincial Home Acquisition	25	—	25	12	13
Full-time Equivalents (FTEs)					
Total Vote 39	**817**	—	**817**	**732**	**85**
Special Accounts					
Provincial Home Acquisition	—	—	—	—	—
Ministry Capital (Expenditures) ($000)					
Information Systems	**15,781**	—	**15,781**	**5,663**	**10,118**
Other	**799**	—	**799**	**568**	**231**
Total Vote 39	**16,580**	—	**16,580**	**6,231**	**10,349**
Information Systems	—		—	—	—
Other	—		—	—	—
Total Special Account — Provincial Home Acquisition	—	—	—	—	—

Ministry of
Public Safety
and Solicitor General

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

**Ministry of
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and Solicitor General**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Public Safety and Solicitor General
Annual Report. — 2001/2002

Annual.
ISSN 1499-8025 = Annual Report - British Columbia. Ministry of Public Safety and Solicitor General

1. British Columbia. Ministry of Public Safety and Solicitor General - Periodicals. 2. Criminal Justice, Administration of - British Columbia - Periodicals. 3. Police Administration - British Columbia - Periodicals. I. Title. II. Title: Ministry of Public Safety and Solicitor General Annual Report.

KEB430.A76B74 353.4'3'0971105 C2002-960112-6
KF3965.A8B74

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www.gov.bc.ca

Published by the Ministry of Public Safety and Solicitor General

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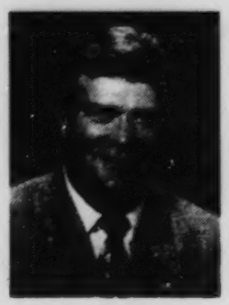
R Coleman

Honourable R. T. (Rich) Coleman
Solicitor General
Ministry of Public Safety and Solicitor General

June 28, 2002

BRITISH
COLUMBIA

Ministry of Public Safety and Solicitor General



I have the honour of submitting the Ministry of Public Safety and Solicitor General Annual Report for the fiscal year 2001/02. As a *New Era* update, this report focuses on the period of June 5, 2001, to March 31, 2002.

Public safety is a key priority for our government. We have a fundamental duty to protect our citizens and maintain law and order, so that people can be confident they live in safe communities. It is our goal to have an enhanced, sustainable public safety system and to improve the public's perception of the people and organizations that make up that system.

In 2001, we began a detailed review of what the ministry does. We asked ourselves why we do it, whether we should continue to do it, and how we might do it better. A key outcome of this review was a series of strategic shifts, including: a move towards greater integration of policing services and an enhanced role for provincial police in responding to complex criminal activities; a plan to increase efficiencies in crime prevention by encouraging community ownership of community-based programs and in victim services by rationalizing service delivery; a plan to increase efficiencies in liquor licensing by eliminating unnecessary regulation and in consumer services by moving toward self-regulation; and, a restructuring of the way we manage the legal gaming industry.

This report reflects the first steps we have taken to fulfil our *New Era* commitments. Subsequent reports will detail the ministry's success in implementing the service plan signed on January 30, 2002.

R Coleman

Honourable R. T. (Rich) Coleman
Solicitor General
June 28, 2002

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Year-at-a-Glance Highlights

Corrections

- Developed strategies and detailed plans aimed at consolidating correctional facilities and reducing the costs of contracted community services and the Keep of Prisoners program in 2002/03.

Gaming Policy and Enforcement

- Restructured five gaming management agencies into two to eliminate duplication, save administrative costs and improve accountability.
- Introduced new gaming legislation designed to strengthen the management of gaming in British Columbia and ensure greater accountability.
- Implemented streamlined gaming policies to give charitable organizations more flexibility to meet community needs and support programs and services throughout the province.

Liquor Control and Licensing

- Introduced a liquor reform strategy to improve public safety, consumer choice and customer service.

Police Services

- Cancelled the photo radar program to concentrate resources on direct, visible policing and immediate intervention.
- Commenced planning to pilot and implement PRIME BC, a provincewide, integrated, multi-jurisdictional police records information management system.
- In a joint initiative with the RCMP and the BC Vital Statistics Agency, launched a program to prevent persons with criminal records from changing their names to avoid detection on criminal record checks and proposed an amendment to the *Name Act* requiring all persons applying for a name change to undergo a criminal record check.
- Ensured that all RCMP vacancies were filled in accordance with RCMP Policing Agreements with the federal government.
- Supported the RCMP auxiliary constable program of volunteers under which 209 new auxiliary constables were trained and appointed.
- Initiated consultation with the RCMP to implement a reserve constable program in B.C. to provide fully-trained and armed officers for part-time, seasonal and temporary policing in B.C. communities.

Protective Programs

- Introduced the *Crime Victim Assistance Act*, which increases the range of benefits provided to victims and brings B.C. in line with most other provinces by eliminating pain and suffering awards that were difficult to judge and administer. The Act will be brought into force in summer of 2002.
- Introduced and brought into force the *Parental Responsibility Act*, which provides greater parental responsibility for children who commit property crimes.

Regulatory Programs

- Repealed obsolete regulations and completed consultation towards modernized, plain-language legislation for residential tenancy and manufactured home-park tenancies that will make it easier for both tenants and landlords to understand their responsibilities.
- Planned new consumer protection legislation to reduce government regulation and move towards industry self-regulation while maintaining standards in consumer protection.
- Reduced red tape by eliminating the licensing requirement for direct sellers and the registration requirement for credit-reporting agencies.
- Consolidated residential tenancy services.

Ministry Role and Services

Vision, Mission and Values

Vision

People feel safe at home and in their communities and have confidence in the efficiency, effectiveness, responsiveness and integrity of police and corrections programs. Victims of crime and those who are vulnerable receive support and protection. Businesses and individuals prosper in a fair and effective regulatory environment.

Mission

To ensure the security and economic vitality of communities through effective policing, corrections, liquor control, gaming, protective and regulatory programs.

Values

The Ministry of Public Safety and Solicitor General shares with all government organizations a commitment to affordability, efficiency, accountability, innovation and reform, and a healthy, supportive workplace.

In addition, the ministry strives to deliver its unique services in accordance with these values:

- Integration of services
- Community participation
- Risk management
- Self-regulation
- Balance of consumer protection with economic vitality

Core Business Areas and Programs

The ministry operates a number of major business areas and programs in order to fulfil its mandate. The following list provides a brief description of these programs.

Corrections

The ministry ensures public safety by supervising criminal offenders. The Corrections Branch is charged with the safe care and control of offenders within a correctional setting. It fulfils its mandate by using a risk-based supervision model for offenders in custody facilities and in the community. Rehabilitation programs are provided to offenders to reduce the risk of re-offending.

Gaming Policy and Enforcement

The ministry defines the scope of permitted gaming in the province, including casino gaming, horse racing, bingo gaming, lotteries and raffles. It regulates and enforces legal gaming activities and manages and distributes government's gaming revenues to charities that meet the eligibility criteria.

Liquor Control and Licensing

This branch of the ministry regulates the manufacture and resale of liquor in licensed establishments in the province. The ministry enforces liquor laws with a focus on community standards and public safety in order to reduce the social costs of liquor misuse, such as health costs and the justice system costs that are associated with prosecuting and managing offenders. The liquor control program's activities are funded by licensing fees paid by liquor licensees such as restaurants and bars.

Police Services

This division of the ministry oversees law enforcement in British Columbia to ensure that effective police services are maintained throughout the province. The Police Services Division administers an agreement with the RCMP to provide provincial police services to rural areas and to municipalities with fewer than 5,000 people. It also administers First Nations policing agreements and programs. There are 124 RCMP units in the provincial police force, 59 RCMP municipal police forces, 12 independent municipal forces and 3 First Nations forces. Police Services inspects, evaluates and reports on the standard of law enforcement in the province. It oversees the Organized Crime Agency of B.C. and administers traffic programs.

Protective Programs

Victim Services provides victims of crime with services and benefits in their communities. It also funds, trains and supports victim services workers across the province.

Community Programs assists communities with their crime prevention and justice initiatives by providing programs, expertise and funding to community groups.

The Criminal Records Review Program, Protection Order Registry and Community Notification Advisory Program help protect the public from offenders in a variety of ways: by conducting criminal record checks on individuals working with children; by maintaining a registry of protection orders that is accessible to police; and, by issuing public notifications about dangerous offenders when required.

The Coroners Service investigates sudden or unexpected deaths throughout the province to ensure that no death is overlooked, concealed or ignored. It determines all factors surrounding a death and issues recommendations that do not find fault, but are designed to help prevent similar deaths or injuries.

The Provincial Emergency Program (PEP) provides provincewide emergency preparedness, response and recovery from major disasters, including disaster assistance to victims. PEP supports local governments and volunteers who provide assistance to the public.

Regulatory Programs

Consumer Services promotes fairness and understanding in the marketplace through consumer protection and industry regulation. Motor dealers, debt poolers, travel agents and funeral services are among the industries regulated.

The Film Classification Office classifies and approves exhibited films and adult videos for distribution; licenses distributors, theatres and video retailers in the province; enforces the *Motion Picture Act*; and, monitors the distribution of mature and adult video games.

Security Programs licenses the security industry, including armoured car guards, private investigators, locksmiths, security patrols and alarm service companies.

The Residential Tenancy Office manages the process for resolving disputes between landlords and tenants by providing an arbitration process as well as other information and dispute resolution services.

Core Review Strategic Shifts

Over the past year, the ministry has undertaken some important strategic shifts in how it operates. The goal of these strategic shifts is to enhance public safety by increasing the ministry's accountability and by encouraging community participation in public safety initiatives. Further, the ministry is examining the programs it offers to determine how efficiently they are delivered, and is pursuing deregulation of certain industries to reduce unnecessary red tape.

The strategic shifts are:

- In corrections, a move to risk-based supervision of offenders and proven rehabilitation programs, and a focus on operating correctional centres more efficiently;
- In policing services, a shift to greater integration of services and enhancing the provincial police's responses to complex criminal activities;
- Increasing efficiencies in liquor licensing by reducing regulations; in crime prevention by encouraging community ownership of community-based programs; and, in victim services by rationalizing service delivery;
- A move to self-regulation/deregulation and risk-based enforcement in regulatory programs such as film classification, the security industry and consumer protection. In residential tenancy, a move to consolidate services and to modernize legislation; and,
- A restructuring of the management of the gaming industry, including consolidating policy, standards, regulation, licensing, registration and enforcement activities.

Fit to the Government Strategic Plan

The approach of the Ministry of Public Safety and Solicitor General is consistent with the government-wide strategic plan. The government plan provides the broad framework within which individual ministries pursue their goals. The vision outlined in the strategic plan is of a prosperous and just province whose citizens achieve their potential and are confident about the future.

Further, the plan describes strategies for achieving this vision. For all ministries, these strategies include operating efficiently and eliminating red tape. A number of the strategic shifts within the Ministry of Public Safety and Solicitor General are designed to do just that. For example, the ministry is working to consolidate consumer protection regulations and streamlining liquor licensing regulations. Work has also begun to update and modernize the *Residential Tenancy Act* to make it easier for tenants and landlords to exercise their rights.

Regarding public safety, the ministry is committed to working to reduce personal and property crime, as well as rates of domestic violence. The ministry is reviewing Safer Community programs with the goal of enhancing their effectiveness. In addition, over 200 new auxiliary constables were trained and appointed, and the ministry is supporting an RCMP pilot project to increase the number of fully-armed reserve constables in the province.

Planning Context

The ministry's ability to realize its vision and achieve its goals is affected by many external factors, of which these are the most significant:

- Although British Columbia continues to have one of the highest crime rates in Canada, reported crime rates in both the province and the rest of Canada have declined over the past several years. Crime rates are affected by a number of social, demographic and economic factors.
- The nature of crime is changing. It increasingly crosses community, provincial and national boundaries, and it is more complex, better organized and technologically sophisticated.
- Alcohol and other drugs continue to be major factors contributing to various kinds of crime.
- The public appears to favour strict sentences for violent offenders, but also favours crime prevention and alternatives to incarceration for less serious offences.
- Victims are seeking more acknowledgment from, and participation in, the criminal justice process and are demanding more protection for the vulnerable.
- British Columbia's population is growing, is increasingly litigious, and includes a rising number of international immigrants who frequently require language services and who may be unfamiliar with the structure and principles of the justice system.
- The need for linked information systems across separate justice system components continues. British Columbia has already made considerable progress in linking police, Crown, courts, and adult and youth corrections through the JUSTIN and CORNET information systems. PRIME BC is another information system that, when fully implemented, will link police departments across the province.

Update on *New Era* Commitments

Key Projects

The Premier's Office identified three key projects for the Ministry of Public Safety and Solicitor General, to be completed by May 17, 2005. These are listed below, along with the progress made on each one since June 05, 2001.

Project	Progress
Review the status of the RCMP agreement and make recommendations, including a policing plan to deal with impacts on communities of less than 5,000 before the last census.	• In conjunction with the ministries of Finance, Provincial Revenue and Community, Aboriginal and Women's Services, the ministry is developing options for requiring communities under 5,000 and unincorporated areas to pay their policing costs. The ministry is also working with the RCMP to develop a five-year plan for policing in B.C.
Review and make recommendations regarding the training and arming of auxiliary police officers.	• The ministry initiated consultation with the RCMP to implement a reserve constable program in B.C. RCMP reserve constables would be fully-trained and armed officers with previous police experience. Reserve constables would be appointed under the *Royal Canadian Mounted Police Act* to provide part-time, seasonal and temporary policing.
Review the current Safer Community programs and make recommendations on how to increase their effectiveness.	• The ministry has restructured service delivery from a regionalized model to a centralized one in order to reallocate and maximize funding to communities. Grant funding program recommendations are now being implemented.

New Era Priorities

Responsibility for several priorities from the *New Era* document was assigned to the Ministry of Public Safety and Solicitor General. Progress made from June 05, 2001, to March 31, 2002 on each priority is described below. Most of these priorities are to be addressed by May 17, 2005. However, one commitment — to eliminate photo radar — also appeared on the government's 90-day agenda. It was accomplished before the end of June 2001.

Priority	Progress
Scrap photo radar to put police officers back on the street, enforcing public safety.	• Completed as part of the 90-day agenda. The photo radar program ended June 27, 2001. All program assets were reallocated, leases were terminated, and all staff were reassigned.
Ensure auxiliary police officers are properly trained and armed to protect their communities.	• Police Services Division continued to support the Tier 1 auxiliary constable program of community volunteers. During the reporting period, 209 new auxiliary constables were trained to the provincial standard and appointed. The ministry is consulting with the RCMP to implement a reserve constable program to provide trained and armed officers for part-time, seasonal and temporary policing of B.C. communities.
Pressure the federal government to fulfil its contractual obligation to fully fill all RCMP vacancies.	• Completed. All vacancies filled as of December 2001.
Stop the expansion of gaming that has increased gambling addiction and put new strains on families.	• The ministry: — defined the limit, scope and magnitude of permitted gaming in the province; and — provided an April 30 deadline to finalize outstanding destination casino projects. • New gaming legislation was introduced and will be brought into force in 2002 to ensure gaming will not expand in B.C.
Continue to pressure the federal government to scrap mandatory gun registration and put those resources to fighting crime.	• British Columbia withdrew from administration of the firearms program on March 31, 2002. Federal government ministers and officials were made aware of the province's position.
With Children and Family Development ministry, fight child prostitution and youth crime with specific legislation aimed at providing greater protection for children at risk and greater parental responsibility for children who commit property crimes.	• *Parental Responsibility Act* was brought into force on January 1, 2002. • The new *Crime Victim Assistance Act* will provide greater protection to children at risk of exploitation by providing enhanced counselling and protective measures for sexually-exploited youth.

Priority

Modernize the *Residential Tenancy Act* in plain language everyone can understand to properly protect renters and landlords.

Progress

- The ministry redrafted the Act and posted major policy issues on the Internet in early December 2001 for stakeholder and public input (1,500 submissions were received).
- Consultations with key stakeholder groups were held in December 2001 and January 2002.
- Redrafting of the Act is currently under way.

Performance Reporting

Overview

This section of the report identifies the goals, objectives and strategies for each core business area of the Ministry of Public Safety and Solicitor General. It provides information on the performance measures that indicate the ministry's progress in achieving its goals and objectives.

The measures included in this section may be augmented and improved in future. The previous fiscal year of April 1, 2001, to March 31, 2002, was a transition year during which ministries were reorganized, given significant new policy direction, and tasked with the responsibility of implementing the government's *New Era* commitments. As a result, many of the performance measures reported below are new. Others are still under development and will be added as Service Plans are updated.

For each performance measure in this section, information is given for the reporting period of June 5, 2001, to March 31, 2002, providing an update on activities since June 5, 2001. The status of each performance measure is also reported, including, where possible, trend data for the comparable approximately 10-month period of the previous fiscal year. This provides the most accurate comparisons by accounting for seasonal fluctuations in caseloads and counts.

Completed or continuing activities designed to meet ministry goals, objectives and strategies and inform the performance measures are also identified.

Selection of Measures

The performance measures reported below fall into three categories.

- **Output Measures** represent the level of service provided by a program in attempting to achieve certain results.
- **Outcome Measures** focus on the desired results of government actions.
- **Efficiency Measures** relate to the costs of achieving successful outcomes.

All performance measures were reviewed in terms of several selection criteria. Before measures were approved, they had to meet the following four criteria.

- **Comprehensiveness**: The measures should cover all core business areas of the ministry where the ministry is trying to achieve results.
- **Understandability:** The measures should be clear and easily understood by the public, and should sufficiently explain how performance is being assessed.
- **Relevance:** The measures should provide information to help the ministry make better decisions.
- **Reliability:** The data used to inform the measures should be unbiased, complete and error-free.

Principal Data Sources

The Ministry of Public Safety and Solicitor General endeavours to provide accurate and reliable data, to improve data quality and to strengthen the ministry's ability to report on performance.

Data used to inform corrections operations come from CORNET, a ministry database. CORNET monitors all movements in the areas of adult custody and community corrections. It contains over 25 years of data on offenders.

Several other databases serve as sources for policing and crime data. These are primarily external databases, managed nationally by the Canadian Centre for Justice Statistics (CCJS), to which police jurisdictions in B.C. contribute information. One example is the Uniform Crime Reporting Survey, which collects aggregate data on the incidence of crime. Other examples are the Operational Statistics Reporting System and the Homicide Survey database, both of which provide detailed information on specific crime categories.

JUSTIN, the ministry's integrated justice case-tracking computer system, provides data links among police, Crown, the judiciary, courts and corrections. Currently installed in 400 offices throughout the province, it replaces all the separate and non-linked case-tracking systems previously used, thereby improving data accessibility and consistency.

Many of the ministry's core business areas also draw information for reporting purposes from small program-specific databases, program documenation and electronic records, surveys, and published studies and reports.

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Core Business Areas and Performance Measures

Core Business Area: Corrections	
Goal **Objective:** Strategies:	**EFFECTIVE MONITORING AND ENFORCEMENT OF COURT ORDERS** Provide custody and community supervision to offenders • Maintain core services for incarcerated adults and community corrections • Maintain staff and inmate safety
Goal **Objective:** Strategies:	**COMMUNITIES THAT ARE SAFE FROM HIGH-RISK OFFENDERS** Manage and supervise offenders based on their risk to re-offend • Undertake offender risk/needs assessments • Provide appropriate levels of supervision based on offender assessments
Goal **Objective:** Strategy:	**REDUCED RISK OF RE-OFFENDING** Provide core rehabilitative programs that target offender risk and needs • Maintain existing core programs and implement additional ones
Goal **Objective:** Strategies:	**LOWER OVERALL OPERATING COSTS** Reduce the costs of incarceration and community supervision • Consolidate operations in adult custody and community corrections • Reduce contracted offender programs and treatment

Performance Measures:	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
Average daily count of offenders in adult custody	2,173	• This represents a decrease of 11% when compared to the equivalent period of the previous fiscal year Approximately 4% of this decrease was due to release of immigration holds
Average # of offenders under community supervision	20,021	• This represents a decrease of 3% when compared to the equivalent period of the previous fiscal year
% offender risk/needs assessments completed	86%	• This represents an increase of 5% when compared to the equivalent period of the previous fiscal year
# of core programs delivered to offenders	517	• This represents an increase of 2% when compared to the previous fiscal year
Outcome Measures		
% of offenders completing core programs	**86%**	• **This represents a decrease of 8% when compared to the equivalent period of the previous fiscal year.**
Efficiency Measures		
Offender-to-caseworker ratios	70:1	• Ratios will remain relatively stable until consolidations of facilities are complete
Inmate to staff ratios	20:1	• Ratios will remain relatively stable until consolidations of facilities are complete
Consolidation of community operations	5 regions (58 offices)	• Consolidation slated for fiscal year 2003/04
Consolidation of adult custody operations	19 centres operational as of March 31, 2002	• Twenty centres were operational prior to beginning consolidations; this will be further reduced to 11 operational centres by fiscal year 2003/04

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Core Business Area: Gaming Policy and Enforcement	
Goal **Objective:** Strategies:	**A SOUND REGULATORY FRAMEWORK GOVERNING LEGAL GAMING** Provide comprehensive legislation, policies and industry-wide standards • Establish eligibility and licensing criteria to ensure consistent and fair access • License organizations to conduct charitable events • Register all gaming participants (organizations, corporations, individuals) and certify the integrity of gaming equipment and products
Goal **Objective:** Strategies:	**ENSURED INTEGRITY OF LEGAL GAMING** Establish audit and compliance standards • Create audit and inspection policy and perform audits on registrants • Approve BC Lottery Corporation's compliance program • Investigate inappropriate activity in legal facilities and support police in illegal gaming investigations
Goal **Objective:** Strategies:	**SOUND MANAGEMENT AND DISTRIBUTION OF GOVERNMENT GAMING REVENUES** Establish terms and conditions for receiving and using gaming funds • Confirm intended recipients meet eligibility criteria • Develop efficient distribution methods • Audit recipients to ensure appropriate use of gaming funds
Goal **Objective:** Strategies:	**PUBLIC AND STAKEHOLDER CONFIDENCE IN GOVERNMENT MANAGEMENT OF GAMING** Define and limit the scope and magnitude of permitted gaming in the province • Establish the process for creating and relocating gaming facilities • Provide opportunities for the public and stakeholders to comment on gaming management issues

Performance Measures	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
Gaming Control Act and Regulations	Draft Act approved	• New *Gaming Control Act* introduced and completed with Royal Assent; awaiting proclamation. • Regulations near completion.
Outcome Measures		
Public satisfaction rate with government management of gaming	To be determined	• Actions taken to improve public satisfaction: — Implemented new gaming management structure to improve accountability and efficiency; — Defined the limit, scope and magnitude of permitted gaming in the province to provide stability and clarity; — Established process for gaming facility location, relocation or substantial changes to provide independent decision-making; — Introduced gaming legislation to establish regulatory framework/authority for registration, audit and investigative functions to protect the integrity of gaming; — Reviewed charitable gaming policies to establish eligibility and licensing criteria to ensure consistent, fair and timely access to gaming revenue; — Analyzed administrative review hearing process to streamline and standardize dispute resolution.
Efficiency Measures		
Maximum time to process charities' complete applications for gaming proceeds	6 months	• Implementing policies and procedures to streamline processes and improve processing time.

Core Business Area: Liquor Control and Licensing	
Goal **Objective:** Strategies:	**GREATER INDUSTRY COOPERATION IN REDUCING PROBLEMS ASSOCIATED WITH LIQUOR MISUSE** Increase voluntary compliance within the industry • Implement detailed performance standards for the inspection program • Refocus inspections on public safety issues such as service to minors, over-service, overcrowding and illicit alcohol • Increase inspections and investigations by 40% • Simplify the licence system by reducing the number of licence categories from seven to two
Goal **Objective:** Strategies:	**REDUCED RISK OF ALCOHOL-RELATED COMMUNITY DISTURBANCES** Control public access to liquor • Involve local government in limiting the number of liquor primary licences issued • Use alcohol-related community health measures in assessing licence applications • Set terms and conditions for hours, size and entertainment that are consistent with community standards
Goal **Objective:** Strategies:	**ELIMINATION OF REGULATIONS THAT DO NOT SUPPORT PUBLIC SAFETY AND COMMUNITY STANDARDS** Reduce cost to business of obtaining a liquor licence • Streamline and automate the licensing process • Eliminate unnecessary liquor advertising regulations

Performance Measures	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		• The output measures reported here will establish a baseline for the program for future comparisons.
# of inspections	9,497	
# of contravention notices	573	
Proportion: contraventions/inspections	6%	
# of proven contraventions focused on public safety (i.e., minors, intoxication, overcrowding, illicit alcohol)	36	
Outcome Measures		
# of licences issued without community support	**0**	**• The branch is implementing a new licensing process with a strengthened role for local government.**
# of community disturbance complaints in specified urban areas	To be determined	• The measure is under development. It is anticipated that information will be available in January 2003.
Efficiency Measures		
Time to complete enforcement hearings and take action	172 days	• The average number of days to complete enforcement activities has been reduced from 190 days to 172 days.
Time to acquire a liquor primary licence (excluding processing by applicant or local government)	4 months	• The branch is implementing a new centralized licensing process in fiscal year 2002/03.

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Core Business Area: Police Services	
Goal	ADEQUATE, EFFECTIVE, ACCOUNTABLE POLICING AND LAW ENFORCEMENT THROUGHOUT BRITISH COLUMBIA
Objective:	Enhance effectiveness of police agencies through technological, structural and operational changes
Strategies:	• Focus on critical infrastructure[1], specialized police services, and strategic planning • Integrate overlapping and duplicate police services
Objective:	Ensure police have adequate resources to protect the public and apprehend offenders
Strategies:	• Administer and monitor agreements for the delivery of RCMP services • Pilot an RCMP reserve program
Objective:	Ensure that appropriate and effective accountability mechanisms are in place
Strategies:	• Implement accountability measures resulting from evaluations and internal audits • Update training requirements, curricula and training regulations
Objective:	Strengthen public confidence in policing and law enforcement
Strategies:	• Improve appointment and training processes for police board members • Coordinate implementation of a provincial auxiliary and reserve constable policy • Provide information and support to police boards

Performance Measures	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
# of successfully negotiated new RCMP municipal policing contracts	59 municipalities with RCMP contracts	• No variance. • This is a measure of compliance with the *Police Act* by municipalities. • No new municipal policing contracts were required based on census data.
# of infrastructure projects initiated	1 project piloted	• No variance. • This measure indicates success in meeting the goal identified above. • Vancouver, Port Moody and Richmond were pilot municipalities for PRIME BC, an integrated multi-jurisdictional police information records management system.
Outcome Measures		
Rate of participation by police agencies in infrastructure projects	100%	• No variance. • This measure indicates success in meeting the goal identified above. • Three municipalities participated as pilot agencies for PRIME BC.
Rate of public confidence in police	52%	• Many factors beyond the ministry's control can and do affect public confidence in the police. Therefore, confidence rates are not solely or directly attributable to ministry performance. This measure is included because it can affect public perceptions of the entire justice system.

[1] Common police records management systems and common communications systems are examples of infrastructure projects.

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Core Business Area: Protective Programs

Goal	**ENHANCED PUBLIC SAFETY**
Objective:	Make communities and schools safer
Strategies:	• Enhance electronic access to information by law enforcement agencies and the general public • Promote effective crime prevention programs in communities • Strengthen and continue community-based restorative justice initiatives (Community Accountability Programs (CAPs)), and support the initiation of new CAPs
Objective:	Protect children
Strategies:	• Continue to support communities in developing strategies to prevent youth crime, violence, bullying and sexual exploitation of children and youth • Provide criminal record checks for individuals working with or afforded unsupervised access to children
Objective:	Ensure that no unexplained death is overlooked, concealed or ignored
Strategies:	• Provide on-site investigation • Research unexpected deaths to proactively identify trends • Improve communications and technology • Improve compliance with coroner recommendations
Goal	**EFFECTIVE PROTECTION FOR VULNERABLE CITIZENS**
Objective:	Reduce violence against vulnerable citizens through the enforcement of civil and criminal protection orders
Strategies:	• Inform protected parties before inmate release • Provide information to police agencies • Link the Protection Order Registry to JUSTIN, B.C.'s justice information system
Goal	**REDUCED HUMAN AND FINANCIAL COSTS ASSOCIATED WITH EMERGENCIES AND DISASTERS**
Objective:	Maintain effective awareness, preparedness, response and recovery programs
Strategies:	• Provide training to volunteer services • Provide public education • Enhance public and multi-jurisdictional co-operation • Employ the use of technology to achieve faster and fuller return of federal Disaster Financial Assistance (DFA) contributions • Maintain the readiness status of provincial emergency programs and continue to expand the capabilities of trained and experienced staff • Develop specific disaster plans
Goal	**RECOVERY ASSISTANCE AND PROTECTION FOR ALL VICTIMS OF CRIME, NOTABLY HIGH-RISK VICTIMS**
Objective:	Enhance the delivery of victim services programs
Strategies:	• Improve access and timely provision of benefits and services for victims of crime • Complete the transfer of the Criminal Injury Compensation Program from Workers' Compensation Board to the ministry to streamline service delivery under a victims mandate and to provide more appropriate benefits and services to all claimants
Goal	**ENHANCED PROTECTION FOR FIRST NATIONS COMMUNITIES**
Objective:	Improve support to First Nations communities and offenders provincewide
Strategies:	• Continue to support First Nations communities in developing crime prevention and restorative justice programs that are culturally appropriate • Maintain First Nations policing • Support the Native Courtworker Program

Performance Measures	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
# of communities participating in problem-solving approaches to crime	22	• Direct participation by communities in problem-solving approaches to crime contributes to the objective of safer communities and to strengthening community-based crime prevention programs.
# of First Nations communities developing crime prevention programs that are culturally appropriate	9	• Having First Nations communities develop culturally appropriate crime prevention programs improves support to those communities and helps to ensure program success by meeting the needs of First Nations people and communities.
# of Community Accountability Programs (CAPs) funded	69	• This represents an increase of 13 communities (23% increase) in the number funded compared with the previous fiscal year. • Funding and supporting restorative justice programs contributes to the objective of safer schools and safer communities by enabling communities to manage low-risk, first-time youth and adult offenders.
# of community-based youth crime, violence, bullying and sexual exploitation projects funded	262	• Funding community-based youth crime, violence, bullying and sexual exploitation projects helps protect children, enables schools and communities to develop programs tailored to meet their unique needs, and strengthens community-based crime prevention programs.
# of victims registered on the Victim Notification Unit automated system (VINE)	291	• Effective April 1, 2002, the Victim Notification Unit was transferred from Corrections Branch to Victim Services Division to consolidate victim services within the ministry. • Increasing the number of registered victims indicates an increased awareness of the services available, resulting in enhanced protection for victims of crime and better integration of services.
Complete the transfer of the Criminal Injury Compensation Program from Workers' Compensation Board to the ministry	70% complete	• The transfer streamlines service delivery and provides more appropriate benefits and services to all claimants. • The transfer also provides faster access and an increased range of benefits, including a new provision for counselling for witnesses of crime, which will assist victims and their caregivers, children and spouses.

Outcome Measures		
# of Criminal Record Checks completed	**57,699**	• **Enhancements to the database and streamlined processes provided improved customer service and turnaround times.**
# of Protection Order Registry inquiries by police	**7,776**	• **The program is continuing to provide information to police on a 24/7 basis.** • **The data entry deadline (24-hour mandate) is being met successfully every day.**
% of British Columbians reporting satisfaction with their personal safety from crime	**84%**	• **This measure is based on the results of the *Statistics Canada General Social Survey: Victimization Cycle*, conducted in 1999.** • **The next General Social Survey: Victimization Cycle will be conducted in 2004.**
Increase in effectiveness of child death investigations	**To be determined**	• **A child death protocol has been developed and will be fully implemented in the next year.**
Efficiency Measures		
Average time to complete a coroner's inquiry	4.5 months	• This average time will provide baseline data for future comparisons.
Processing time for Disaster Financial Assistance applications following complete submission	30 days	• 90% of applications are completed in 20 days; the remainder are completed in 30 days.

Outcome Measures		
# of Criminal Record Checks completed	57,699	• Enhancements to the database and streamlined processes provided improved customer service and turnaround times.
# of Protection Order Registry inquiries by police	7,776	• The program is continuing to provide information to police on a 24/7 basis. • The data entry deadline (24-hour mandate) is being met successfully every day.
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Processing time for Disaster Financial Assistance applications following complete submission	30 days	• 90% of applications are completed in 20 days; the remainder are completed in 30 days.

Core Business Area: Regulatory Programs	
Goal **Objective:** Strategies:	**PUBLIC INTERESTS ARE PROTECTED AS INDUSTRIES PROSPER** Provide efficient and effective licensing and regulation of the security industry, consumer service industries, and film and adult film industries • Seek security industry and government partnerships in maintaining professional standards • Confirm the eligibility of companies and individuals involved in the security industry • Move regulated consumer industries toward self-management • Rewrite legislation and regulations for consumer industries • Take enforcement action against consumer industries where appropriate • Confirm the eligibility of licence applicants within the film and adult film industries • Enforce standards and regulations in the screening, sale and distribution of film and adult films • Provide public classification for feature and adult films
Goal **Objective:** Strategies:	**AN EFFICIENT RESIDENTIAL TENANCY SYSTEM** Provide timely and accessible resolution of landlord-tenant disputes • Modernize the *Residential Tenancy Act* in plain language • Improve quality of residential tenancy (RT) information • Provide RT information more efficiently through the Internet and information clinics

Performance Measures:	Actual June 5, 2001 to March 31, 2002	Status
Output Measures		
% of non-monetary residential tenancy arbitrations scheduled within 7-10 days or less	50%	• A timely resolution of disputes protects landlords and tenants from financial loss because disputes may involve possession of property and required repairs.
% of monetary residential tenancy arbitrations scheduled within 3-6 weeks or less	90%	• Appropriate scheduling of monetary arbitrations allows parties time to prepare and gather evidence prior to the hearing date.
Outcome Measures		
# of successful consumer service regulatory prosecutions	50	• This is a 51% increase from the previous fiscal year, but only a 14% increase from fiscal year 1999/00. The prosecution rate varies depending on the types of activities taking place and the processing of cases through the courts. • Enforcement actions are a clear indicator of the steps taken to ensure a fair and equitable marketplace. This strategy supports the overall ministry vision for enhancing public safety.
Efficiency Measures		

Core Business Area: Regulatory Programs	
Goal **Objective:** Strategies:	**PUBLIC INTERESTS ARE PROTECTED AS INDUSTRIES PROSPER** Provide efficient and effective licensing and regulation of the security industry, consumer service industries, and film and adult film industries • Seek security industry and government partnerships in maintaining professional standards • Confirm the eligibility of companies and individuals involved in the security industry • Move regulated consumer industries toward self-management • Rewrite legislation and regulations for consumer industries • Take enforcement action against consumer industries where appropriate • Confirm the eligibility of licence applicants within the film and adult film industries • Enforce standards and regulations in the screening, sale and distribution of film and adult films • Provide public classification for feature and adult films
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Outcome Measures		
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Efficiency Measures		

Reduced film licence categories	13	• There was no reduction in the number of categories as of March 31, 2002; however, additional steps to reduce categories will be taken. • Reducing film licence categories reduces red tape and the complexity of the licensing system.
Reduced film fees categories	28	• There was no reduction in the number of categories as of March 31, 2002; however, additional steps to reduce categories will be taken. • Reducing film fees categories reduces red tape and the complexity of the licensing system.
$ per FTE in restitution resulting from consumer services industry investigations	$0.094M	• This represents a substantial drop in restitution from previous years (e.g., $0.190M per FTE in fiscal year 2000/01). This is due to a decreased number of fraudulent telemarketing operations during the year. • Consumer restitution is an important indicator of success in mediating disputes between businesses and consumers as well as helping curb the proliferation of fraudulent telemarketing companies in the province. Both activities support the goals of enhancing public safety and eliminating trade barriers.

Report on Resources

It is required that financial information for this report be organized according to the Estimates that were presented to the Legislative Assembly on July 30, 2001. The ministry's core business areas were established after that date. Therefore, some, but not all, of the information below coincides with the core business areas described earlier in this report. All figures were rounded, including totals. Any discrepancies in the totals are due to rounding.

[illegible]	Estimated	[illegible]	[illegible]	[illegible]	[illegible]
Operating Expenses ($000)					
Minister's Office	448	0	448	271	177
Corporate Services	340	0	340	689	(349)
Community Justice	29,197		29,197	26,708	2,489
Corrections	215,937	10,622	226,559	224,564	1,995
Public Safety and Regulatory Services	191,207	292	191,499	196,448	(4,950)
Agencies, Boards and Commissions	947	0	947	920	27
British Columbia Gaming Commission	4,885	0	4,885	4,820	65
Liquor Control and Licensing	783	0	783	238	545
Statutory Services	45,587	11,239	56,826	56,826	0
Special Accounts	9,530	2,405	11,935	11,819	117
Total	**498,861**	**24,558**	**523,419**	**523,302**	**117[3]**

[1] The "Estimated" amount corresponds to the Estimates as presented to the Legislative Assembly on July 30, 2001.

[2] "Other Authorizations" represent funding from the Contingencies (all ministries) and New Programs vote approved by Treasury Board on March 20, 2002.

[3] The ministry is required to ensure that actual spending on an overall basis is covered off by voted funds and other authorized funds. Individual programs may have surpluses or deficits that contribute to the bottom line positive balance.

Full-time Equivalents (FTEs)					
Total	**2,904**		**2,904**	**2,852**	**52**
Ministry Capital Expenditures ($000)					
Information Systems	4,444	0	4,444	1,539	2,905
Other	2,174	0	2,174	1,014	1,160
Total	**6,618**	**0**	**6,618**	**2,553**	**4,065**
Consolidated Capital Plan Expenditures[1] ($000)					
Correctional Institutions	15,200	1,776	16,976	515	16,461
Total	**15,200**	**1,776**	**16,976**	**515**	**16,461**
Other Financing Transactions (Net Disbursements)[2] ($000)					
British Columbia Racing Commission	13,800	324	14,124	14,124	0
Total	**13,800**	**324**	**14,124**	**14,124**	**0**

[1] On October 11, 2001, the Ministry of Public Safety and Solicitor General received approval to carry over $1.776 million in its Capital Expenditure Limit from 2000/01 to 2001/02, increasing its limit to $16.976 million.

[2] Source: Public Accounts 2001/02.

Appendices

Appendix I: Glossary

Auxiliary/Reserve Constables: Auxiliary and reserve constables are volunteers who participate in the delivery of community policing and crime prevention services. They are a trained, semi-professional policing resource in many communities in British Columbia but are not considered substitutes for policing by regular police officers.

Community Accountability Programs (CAPs): CAPs are community-based diversion programs designed to divert low-risk offenders from the traditional justice system while holding offenders accountable for their actions and repairing the harm caused. Major CAP models include circle remedies, family group conferencing, neighbourhood accountability boards and victim-offender reconciliation.

Core Programs: Core programs are designed to promote long-term behavioural changes in serious offenders by addressing those factors associated with thinking, skills and lifestyle that are known to contribute to crime.

CORNET: An electronic, integrated offender-management information system.

***Crime Victim Assistant Act* (CVAA):** The CVAA replaces the Criminal Injury Compensation Program, increasing the range of benefits provided to victims.

Disaster Financial Assistance (DFA): Administered through the Provincial Emergency Program, the DFA assists eligible disaster victims in coping with the cost of restoring or replacing items essential to a home, livelihood or community service.

High-Risk Offenders: Offenders who are defined as high-risk are those who have been assessed by correctional and probation officers as presenting a high risk to re-offend. By screening offenders against factors that are predictive of re-offending, Corrections Branch identifies the offenders who require the most intervention (i.e., higher frequency of supervision and more programming).

Integrated Justice: Seamless information sharing between independent agencies that make up the justice system.

JUSTIN: An electronic, integrated case-tracking system used throughout the province and joining all members of the criminal justice system (police, Crown, judiciary, courts and corrections).

Keep of Prisoner Program (KOP): Administered by the Corrections Branch, the KOP program reimburses police departments for the cost of keeping provincial prisoners in municipal lockups who have been remanded into custody by the courts pending transport to correctional centres or for a court appearance.

Native Courtworker Program: Native courtworkers provide counselling (other than legal) to adults and youths who have committed or are alleged to have committed a criminal offence. They also help Aboriginal adults or young offenders understand their legal rights and obtain legal assistance; and they promote better appreciation of the cultures and socio-economic conditions of Aboriginal people on the part of those who administer the criminal justice system.

Police Boards: Police boards are mandated to establish and operate a police department in their municipality responsible for enforcing bylaws and criminal and provincial laws, maintaining order and preventing crime. B.C. municipalities that do not have police boards are served by the RCMP.

PRIME BC: An electronic records management system that will link all police department information across the province and improve the ability of police to solve major crime.

Protection Order: A protection order is an order containing a condition (e.g., "no contact") that affords safety and security to a specified (named) person or persons. A protection order may be made in Provincial family, criminal, or Supreme Court.

Protection Order Registry (POR): The POR is a central registry (electronic database) of current protection orders that is used by police to establish the existence and validity of a protection order in the course of law enforcement. The POR is also used to notify victims of the release or escape of sentenced offenders and is cross-referenced with firearms databases.

Provincial Emergency Program (PEP): The function of PEP is to maintain effective awareness, preparedness, response and recovery programs to reduce the human and financial costs of emergencies and disasters.

RCMP Agreement: The RCMP Provincial Police Service Agreement sets out the cost-sharing relationship between the federal, provincial and territorial governments, police service-level expectations, minimum police standards, police objectives and priorities, methods of payment and other conditions.

Restorative Justice: Restorative justice is an approach which considers the needs of victims, offenders and communities and involves these parties in addressing the harm caused by crime. Restorative justice can be incorporated in ministry programs and external, community-based programs.

Safer Community Programs: Safer community programs are structured initiatives, undertaken by both government and non-government partners, to assist schools and communities in developing local solutions and to increase public awareness and support for crime prevention and community justice strategies.

Appendix II: Other Official Ministry and Justice Information

The following list of Internet Web site addresses are justice-related sites where additional information can be found on a range of topics. The names of the organizations and a brief description of the contents of the sites are provided. Links to other Internet sites are given for reader convenience and do not constitute endorsement of the information at those sites. The Ministry of Public Safety and Solicitor General accepts no responsibility for material contained in any site that is linked to the official ministry Internet site, or in any other listed site.

http://www.gov.bc.ca/pssg/

Ministry of Public Safety and Solicitor General
Provides links to ministry key initiatives, latest news, programs and services, ministry branches and departments and an extensive reports and publications list.

http://www.gov.bc.ca/ag/

Ministry of Attorney General and Minister Responsible for Treaty Negotiations
Contains information about programs and services and key ministry initiatives such as the Civil Liability Review, the Administrative Justice Project and the Report of the Task Force on Pay Equity. There are also links to current news releases and to ministry branches and departments.

http://www.gov.bc.ca/tno/

Treaty Negotiations Office
A direct link to Treaty Negotiations Office programs and services. Provides access to key initiative reports such as the Nisga'a Implementation Report and the Tripartite Working Group Report.

http://www.gov.bc.ca/tno/links/

Links to other sites related to treaty negotiations.

http://www.ag.gov.bc.ca/abc

Agencies, Boards and Commissions (ABCs)
Links to ABCs, including the BC Human Rights Tribunal, the Children's Commission, the Expropriation Compensation Board and the Public Guardian and Trustee.

http://www.legis.gov.bc.ca/

Legislative Assembly of British Columbia
Includes information on current and previous legislative sessions, legislation and MLAs. Also provides a link to an on-line tour of the Legislative Chamber.

http://www.courts.gov.bc.ca/

B.C. Superior Courts
Provides the public and the media with timely access to reasons for judgments and information on the B.C. superior courts.

http://www.provincialcourt.bc.ca

B.C. Provincial Court
As the first level of court in British Columbia, the court's jurisdiction includes criminal, family, child protection, small claims, and traffic cases. This site provides a description of court, judicial officers and council. It also contains links to news and references, a judgment database criminal and youth matters, family matters, small claims matters, traffic and bylaw matters and a court locations map.

http://www.qp.gov.bc.ca/bcstats

Revised Statutes British Columbia
Provides links to all B.C. legislation.

http://www.bcli.org

B.C. Law Institute
The B.C. Law Institute is a society incorporated to promote the clarification and simplification of the law and its adaptation to modern social needs, promote improvement of the administration of justice and respect for the rule of law, and promote and carry out scholarly legal research. This site contains information about the institute, publications, legal resources and B.C. law reform.

http://www.pep.bc.ca/

Provincial Emergency Program (PEP)
Provides information about PEP, hazard preparedness and planning, emergency management and disaster financial assistance.

http://www.dir.gov.bc.ca/

B.C. Government Directory
A searchable directory of all B.C. government offices; search by person, organization or organizational unit.

http://www.cio-dpi.gc.ca/

Intergovernmental On-Line Information Kiosk
Part of the Treasury Board of Canada Secretariat, this site makes information available to the public on programs and initiatives, including "Government On-Line," the Government of Canada's initiative to provide information and services on the Internet by 2005.

http://www.jibc.bc.ca/

Justice Institute of B.C.
The institute is a training organization that targets improved justice and public safety services and safer communities. The site provides course and conference listings and an on-line student learning centre.

http://www.vcn.bc.ca/lssbc/

Legal Services Society (LSS)
This site provides descriptions of LSS services and access to publications arranged by topic.

http://www.bcstats/gov.bc.ca/

B.C. Stats
B.C. Stats is the central statistical agency of British Columbia, providing statistical products, services and expertise. This site contains links to statistical bureaus in other Canadian provinces and many other countries.

http://www.statcan/ca

Statistics Canada
This site provides Canadian statistics on justice and crime, victims, suspects, criminals, police and the courts.

http://www.sgc.gc.ca/

Solicitor General, Government of Canada
This site contains information about the Solicitor General portfolio, including national security, policing and law enforcement, corrections, the National Parole Board, public safety and Aboriginal policing.

http://www.canada.justice.gc.ca/

Department of Justice Canada
This site provides information about the department's mission and portfolio, including criminal justice policy at the federal level.

http://www.crime-prevention.org

National Crime Prevention Centre
This is a federal government site containing information about the crime prevention business network, projects, programs and services and publications. It presents the National Strategy on Community Safety and Crime Prevention, which is aimed at reducing crime and victimization by addressing their root causes through a social development approach. It also provides links to related sites, arranged alphabetically by subject.

http://laws.justice.gc.ca

Criminal Code of Canada — Department of Justice Canada
This site provides a searchable list of Canada's Consolidated Statutes and Regulations, including the Criminal Code.

http://www.rcmp-grc.gc.ca/

Royal Canadian Mounted Police (RCMP)
This site provides information about the RCMP and their programs and services and provides links to related news.

http://www.acjnet.org

Access to Justice Network (ACJNet)
This is an electronic community that brings together people, information and educational resources on justice and legal issues of interest to Canadians. ACJNet is dedicated to making law and justice resources available to all Canadians in both official languages.

Ministry of
Skills Development
and Labour

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

**Ministry of
Skills Development
and Labour**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Skills Development and Labour.
Annual report. — 2001/2002-

Annual.
"A new era update."
Continues: British Columbia. Ministry of Labour. Annual performance report. ISSN 1499-724X

Report year ends Mar. 31.
ISSN 1703-4442 = Annual Report - British Columbia. Ministry of Skills Development and Labour.

1. British Columbia. Ministry of Skills Development and Labour - Periodicals. 2. Labour policy - British Columbia - Periodicals. 3. Technical education - British Columbia - Periodicals. I. Title. II. Title: Ministry of Skills Development and Labour . . . annual report.

HD8109.B7B74 354.9'09711'05 C2002-960148-7

For more information on the British Columbia Ministry of Skills Development and Labour, contact:

Communications Branch
PO BOX 9577
STN PROV GOVT
VICTORIA, BC
V8W 9K1

or visit the B.C. Government's Web site at
www.gov.bc.ca

Published by the Ministry of Skills Development and Labour
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Skills Development and Labour Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

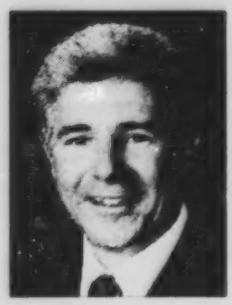
Graham P. Bruce

Graham Bruce
Minister of Skills Development and Labour

June 27, 2002

BRITISH
COLUMBIA

Ministry of Skills Development and Labour



This annual report outlines the significant progress made by the Ministry of Skills Development and Labour during 2001/2002 in fulfilling the commitments outlined in the government's *New Era* document.

Our government came into office early in June 2001, and immediately set to work making changes to restore our province's economic health, as we had promised British Columbians. In the area of skills development and labour, these commitments were substantial, requiring the ministry to take on an ambitious agenda for change.

The focus of the ministry's work was on making balanced change to maintain protection for employees while positioning our province for economic growth and future prosperity. During the summer of 2001 alone, legislative amendments were made to restore education as an essential service, repeal sectoral bargaining and fixed wage legislation, return to open tendering and reinstate workers' rights to their pensions and to secret ballot voting on union certification.

In January 2002, we introduced labour legislation by restoring good management and the flexibility to organize health, education and social service delivery to put patients, students and children first.

During the year, the ministry also initiated reviews of the Workers' Compensation Board and released discussion papers on employment standards and the labour code. All of this was undertaken with a view to encouraging employees and employers to develop healthy workplace relationships that lead to good, sustainable jobs.

Government also approved new workplace smoking regulations, implemented a cooling-off period in labour disputes involving nurses and paramedical professionals, increased the minimum wage to $8.00 per hour and established a new 'first-job' wage of $6.00 per hour for the first 500 hours.

I am pleased with the progress the ministry made during 2001/2002. Our focus on positive change for the long-term benefit of British Columbians will be maintained in the future as we continue working to make our province the best place in Canada to live, work and invest.

Graham P. Bruce

Graham Bruce
Minister of Skills Development and Labour

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Year-at-a-Glance Highlights

Apr. 9 — Vince Ready appointed special mediator to help resolve the labour dispute that shut down public transit in Victoria.

Apr. 12 — Vince Ready appointed special mediator in contract talks between Coast Mountain Bus Co., *TransLink* and Vancouver locals of the Canadian Auto Workers and the Office and Professional Employees Union in the Lower Mainland.

Apr. 17 — Vince Ready appointed as an industrial inquiry commission in contract talks between the Nurses' Bargaining Association and the Health Employers Association.

June 19 — Legislation introduced allowing government to implement a cooling-off period in labour disputes involving nurses and paramedical professionals in B.C. (Bill 2).

Aug. 1 — Legislation introduced to bring an end to the Lower Mainland transit disputes involving the Canadian Auto Workers union, the Office and Professional Employees International Union, Coast Mountain Bus Company and *TransLink* (Bill 13).

Aug. 7 — Legislation introduced to settle the collective agreement disputes involving nurses and paramedicals to ensure patients continue to receive the care they need (Bill 15).

Aug. 14 — Legislation introduced to: restore education as an essential service; restore workers' rights to a secret ballot vote on certification; repeal sectoral bargaining; and restore access to pension benefits if a pensioner chooses to return to work in their previous field of employment (Bill 18).

Aug. 16 — Legislation introduced to eliminate fixed wages on public construction contracts (Bill 22).

Sept. 28 — Two reviews were commissioned to fix problems at the Workers' Compensation Board and make it more responsive to workers' and employers' needs. The Alan Winter review focused on WCB policy and legislation. The Allan Hunt report reviewed WCB service delivery. The final reports will be used in drafting new legislation on changes to WCB policy, governance and appeals.

Oct. 29 — Government confirms an increase to $8.00 per hour in B.C.'s minimum wage. A new measure — the 'first-job' wage rate of $6.00 per hour for the first 500 hours — was also introduced as an incentive for employers to hire employees without any experience who are wanting to enter the workforce. The 'first-job' wage rate became effective November 15, 2001.

Nov. 14 — Employment Standards review launched to invite public input in advance of new legislation. More than 265 responses were received.

Nov. 30 — Agreement reached leading to final settlement of the transit strike in Prince George.

Dec. 14 — Vancouver labour lawyer, Brent Mullin, appointed full-time chair of the B.C. Labour Relations Board.

Jan. 16, 2002 — New workplace smoking regulation approved, coming into effect May 1, gives hospitality workers the right to refuse to enter smoking rooms.

Jan. 25 — Legislation introduced to restore education services and to ensure proper management of health, education and community care dollars by increasing management flexibility and focusing resources on core services (Bills 27 — *Education Services Collective Agreement Act*, 28 — *Public Education Flexibility and Choice Act*, 29 — *Health and Social Services Delivery Improvement Act*).

Mar. 12 — Labour Code discussion paper released on suggested amendments to the *Labour Relations Code*.

Ministry Role and Services

Vision

A modern work environment for British Columbians that encourages innovation, rewards creative thinking and increases productivity. Workers and employers are treated fairly and equitably.

Mission

Our mission is to create an employment environment with dynamic workplaces that meet the needs of workers, employers and unions. Vulnerable workers will be protected. We will ensure that British Columbians have the tools they need to foster working relationships in safe and healthy workplaces. We will develop programs and legislation that contribute to provincial competitiveness and prosperity.

Values

The following values will be integral to achieving the goals of the Ministry of Skills Development and Labour:

- We seek fair and balanced workplaces in all sectors.
- We support a competitive business environment that attracts investment to British Columbia and retains our skilled employees.
- We will protect the most vulnerable workers in the province. We will encourage small businesses to prosper through simple and streamlined processes.
- We strive to be relevant and responsive to constantly changing workplaces.
- We adhere to sound fiscal responsibility and management.
- We value the hard work and expertise of all ministry employees.

Core Business Areas

Industrial Relations

The ministry's activities aim to provide fairly administered industrial relations models. The ministry oversees the Labour Relations Code (LRC), which establishes the Labour Relations Board (LRB), an independent tribunal that adjudicates disputes between employers, unions and employees and provides mediation services. The LRC sets the framework for collective bargaining between employers and unions in B.C. The ministry also monitors the industrial relations environment. While self-reliance in resolving disputes is encouraged, the ministry can play a direct role in assisting the parties to settle to maintain industrial relations stability, i.e. appointment of a mediator or a commission of inquiry, or direction to the LRB to designate essential services.

Employment Standards

Employment standards activities foster fair, productive and harmonious workplaces that promote prosperous businesses, quality working lives and a growing economy. The Employment Standards Branch (ESB) administers the Employment Standards Act (ESA), which sets minimum standards for such things as wage payments, overtime, vacation, statutory holidays, leaves and hours of work. The ESB responds to enquiries, receives and investigates complaints, mediates disputes and enforces the ESA. Appeals of Employment Standards Branch (ESB) determinations can be made to the Employment Standards Tribunal (EST) which operates as an independent tribunal within the ministry.

Workers' Compensation

The ministry oversees the Workers Compensation Act which sets out the compensation system for B.C., provides a framework to protect workers by ensuring safe and healthy workplaces and establishes the Workers' Compensation Board (WCB) as an independent Crown agency to administer the act.

The WCB's panel of administrators is responsible for the board's performance. The WCB provides compensation services and vocational rehabilitation to workers suffering injury or disease, and creates and enforces workplace health and safety regulations. It is wholly funded by employer payroll assessments from the accident fund. The ministry administers the Workers' Compensation Review Board, an independent body that hears appeals of WCB decisions, and administers the Workers' Advisors and Employers' Advisors offices, which provide advisory services to workers and employers.

Skills Development/Industry Adjustment

In June 2001, the Ministry was tasked with developing a provincial human resource strategy to address skill development and skill shortages as part of the province's economic development. In conjunction with the Ministry of Competition, Science and Enterprise, a human resource planning strategy will be developed during 2002-03. However, funding for new employment programs is not included in future budget plans.

The ministry was also responsible for administering the Industry Adjustment Services (IAS) program, which provides assistance to businesses and communities to address sectoral and workplace issues affecting human resources. This service was provided to changing and expanding sectors and workplaces experiencing large-scale layoffs. To meet the ministry's budget plan and maintain other core programs, this program will be phased out by the end of the 2002-03 fiscal year.

The ministry also had a lead role in addressing youth unemployment in B.C. A first-job wage rate was introduced in fall 2001 to encourage the employment of new entrants into the labour market. Government's overall plans to revitalize the provincial economy will also create employment opportunities for B.C.'s youth. Any future work in this area by the ministry will cease.

Consistency with Government Priorities

The objectives of the Ministry of Skills Development and Labour are consistent with the priorities of government. The labour environment in B.C. provides a backdrop for achieving some of the broad goals of government such as optimizing economic competitiveness and performance.

Employment standards are considered by businesses, including those in the hightech industry, when deciding where to locate. Flexible and appropriate employment standards will attract businesses to B.C. and contribute to the provincial economy. Workers' compensation rates and coverage also influence the attractiveness of B.C. as a place to do business. Attracting private sector businesses to the province will increase the number of high-paying job opportunities for British Columbians and contribute to economic prosperity.

The ministry's efforts to optimize efficiency through streamlining of services, such as the workers' compensation appeal system and the LRB, are consistent with the government's priority of responsible and accountable management of B.C.'s public resources and tax dollars.

Update on *New Era* Commitments

The Ministry has already achieved the following *New Era* commitments:

Achievement	When it was done
Restored education as an essential service under the Labour Code.	Completed by legislative amendment, summer 2001.
Restored all workers' right to negotiate contracts by outlawing sectoral bargaining.	Completed by legislative amendment, summer 2001.
Repealed fixed wage legislation.	Completed by legislative amendment, summer 2001.
Restored workers' right to their pensions by repealing the law that allows some pension plans to suspend pension benefits for early retirees who choose to continue working in their previous field of employment.	Completed by legislative amendment, summer 2001.
Restored workers' democratic right to a secret ballot vote on certification under the Labour Code and ensure the same rules apply for certification as decertification.	Completed by legislative amendment, summer 2001.
Restored open tendering on government contracts to allow fair competition for businesses and provide better value for taxpayers.	Completed by legislative amendment, summer 2001.
Make Workers' Compensation Board more responsive to workers' and employers' needs.	Review work done in 2001/02. Legislative changes planned for 2002/03.
Give workers and employers greater flexibility in employment standards to negotiate mutually beneficial relationships that help them compete and prosper.	Review work done in 2001/02. Legislative changes planned for 2002/03.
Focus on reducing B.C.'s youth unemployment.	Ongoing. Ministry of Skills Development and Labour working with Ministry of Competition, Science and Enterprise to develop appropriate strategies.
With advanced education ministry, work with employers, post-secondary institutes and ITAC to increase training and apprenticeships in trades and technical services.	Ongoing. The Ministry of Advanced Education has assumed the operational lead.
Cut "red tape" and regulatory burden by one third over three years.	Work has been done to reduce the regulatory burden in the areas of workers' compensation and employment standards in 2001/02. Legislative changes to begin to implement this are planned for 2002/03.

Performance Reporting

WORKERS' COMPENSATION

The Workers' Compensation Board (WCB) is an independent agency responsible for administering the Workers Compensation Act (WCA), including developing and enforcing occupational health and safety regulations. While major objectives such as reducing the rate of workplace injury and days lost due to workplace accidents are more appropriately identified and measured by the board, there are some areas where the ministry can contribute to the overall goal of healthy, safe and productive workplaces. The ministry is able to contribute to this goal in meaningful ways through advisory services for workers and employers, as well as by developing legislation as required.

A review of WCB policies and operations took place in fall 2001, with a report and recommendations made to the minister in February 2002. Legislative amendments are planned for 2002 and regulatory change will follow.

The legislative changes made to the WCA will ensure that the act is appropriate for today's work environment. Core reviews and overarching strategies aimed at deregulation and "red tape" elimination will increase the responsiveness of the WCB for workers and employers. As well, the workers' compensation appeal system will be streamlined.

Goal: Safe and healthy workplaces and a workers' compensation system that is responsive to the needs of workers and employers alike.

Objective: Fewer workplace injuries, illnesses and deaths.

Strategies:

- Support employers in managing the risks and consequences of workplace illnesses and injuries; encourage workplaces to improve their safety practices.
- Provide information, education and training programs.
- Target employers and industries with poor safety records.

A reduction in the Workers' Compensation Board (WCB) all-industry injury and illness rate

Indicator	2000	2001	2002	2003 (target)
*WCB all-industry injury and illness rate	4.0	3.7	3.6	3.5

Notes:

1. The WCB reports on a calendar year basis.
2. The "all-industry injury and illness rate" measures the number of time loss illnesses and injuries first paid in the year of injury per 100 person years of employment.
3. The Worker's Compensation Board (WCB) is an independent agency under the auspices of the Ministry of Skills Development and Labour. This WCB indicator is provided as an easy reference to advise of progress toward a shared ministry goal. The WCB publishes an annual report, which explores B.C. occupational health and safety indicators in greater detail.

Objective: Better compliance with WCA and Occupational Health and Safety (OHS) regulations.

Strategies:

- Support employers in managing the risks and consequences of workplace illnesses and injuries; encourage workplaces to improve their safety practices.
- Ensure workers' compensation system is responsive and meets the needs of employers and employees.
- Ensure WCA and OHS regulations are suited to today's workplaces.

Advisory services provided to employers by the Employers' Advisers Office

Indicator	1999/00	2000/01	2001/02
Office Inquiries	95,984	145,578**	138,724
Submissions/ Hearings assisted with*	526	692	1,007
File Preparation	8,433	10,393	13,610

* Includes submissions and hearings related to WCB claims, appeals to the WCRB, appeals to the Appeal Divisions, appeals to the Medical Review Panel, and Sanction Penalties

** Beginning in 2000/01, this figure also includes web site inquiries.

Access to educational seminars for employers conducted by the Employers' Advisers Office

Indicator	1999/00	2000/01	2001/02 (est.)
Educational seminars conducted	358	209	260

Advisory services provided to workers by the Workers' Advisers Office

Indicator	1999/00	200/01	2001/02
Number of inquiries to which the Workers Advisers' Office provided mandated services	98,689	123,606*	123,881
Number of submissions to WCB to secure early resolution of problems	612	498	481
Written and hearing submissions to all appeal bodies in cases with merit	915	820	1,010

* Beginning in 2000/01 this figure also includes web site inquiries

Educational modules for workers, their representatives, and other organizations to prevent unnecessary appeals and develop informed representatives

Indicator	1999/00	2000/01	2001/02
Educational presentations provided to injured worker groups, unions, professional associations, constituency assistants, ministerial assistants and other public groups	34	33	24

Objective: Decrease number of appeals filed.

Strategies:

- Facilitate employers' and employees' understanding of the workers' compensation system, including appeal processes.
- Streamline appeal system.

Indicator	2000	2001
Appeals filed	14,460	15,725

Note: WCB appeals legislation will be reviewed and updated in the 2002/03 fiscal year.

EMPLOYMENT STANDARDS

The ministry is responsible for the Employment Standards Act (ESA), which sets minimum standards of compensation and working conditions for most employees in B.C. The ministry's Employment Standards Branch (ESB) administers this act.

Through this legislation, as well as through targeted employment standards initiatives, the ministry works to promote an environment where employers and employees can work together harmoniously; where workers rights are protected; and where businesses are able to grow and create jobs.

Legislative, regulatory and operational amendments are planned for 2002. A review of employment standards legislation, regulations and operations will result in changes to address government's vision of fair and effective standards.

These changes will allow a shift from blanket coverage, prescribed practices and government enforcement to a system of focused coverage and enforcement; greater flexibility to promote practices that work for employers and employees; and employer associations that encourage good practices and exert pressure on noncompliant members. This focused approach to employment standards will reduce workload at the ESB and successfully meet the deregulation aims of government.

Goal: Fair and balanced employment standards that allow mutually beneficial relationships between workers and employers.

Objective: Facilitate increased compliance with ESA.

Strategies:

- Increase employers' and employees' knowledge and understanding of ESA.
- Ensure contraventions of ESA are identified and corrected.

Employers and employees have access to timely services regarding employment standards complaints

Indicator	2000/01	2001/02
Employment Standards Branch (ESB) complaints backlog	512 as of Feb. 28/01	244 as of Mar. 31/02
Files are assigned to an ESB officer within 14 days of being filed (for offices with no backlog)	82%	100% (No queue in offices with no backlog)
Files are concluded by ESB and go to determination within 120 days of being assigned to an officer	5,924	6,632

Objective: Create a fairer and more balanced employment standards system that benefits employers and employees.

Strategies:

- Ensure ESA is suited to today's workplaces and meets the needs of employers and employees.
- Increase employers' and employees' awareness of the employment standards system, including where they can go for assistance.

Objective: Resolve employment standards disputes prior to formal complaint being filed with ESB.

Strategies:

- Provide advice and support services for employers and employees.
- Support early intervention and alternative dispute resolution in employment standards disputes.

Number of claims settled voluntarily and by determination

(The indicators below show a "funnel" of how employment standards complaints are resolved, beginning with the most timely and least costly resolution (voluntary settlement), and working down to more complicated and time-consuming cases.)

Indicator	2000/01	2001/02 (est.)
Number of complaints received by the Employment Standards Branch (ESB)		
Received	11,526	14,682
Assigned*	14,244	13,953
Closed*	13,316	12,962
*Assigned/Closed could also include those from previous fiscal year		
Number of ESB complaints settled voluntarily	4,903	4,979
Number of ESB determinations written:		
Wage determinations	2,129	2,500
Penalty determinations	951	975

Objective: Decrease number of Employment Standards Tribunal (EST) appeals.

Strategies:

- Support early intervention in employment standards disputes.
- Improve quality of ESB decision-making.
- Streamline appeal system.

Timely appeal decisions which are final and binding

Indicator	2000/01	2001/02
Appeals and reconsideration requests received by the Employment Standards Tribunal (EST)*	855	798
Appeals and reconsideration requests closed	837	869

* The Employment Standards Tribunal is an independent tribunal at arm's length from the ministry, providing dispute resolution regarding the application and interpretation of the Employment Standards Act and the Skills Development and Fair Wage Act.

INDUSTRIAL RELATIONS

The ministry's industrial relations activities aim to provide fairly administered industrial relations models. The ministry oversees the Labour Relations Code (LRC), which sets a framework for: the rights of employees to choose trade union representation; collective bargaining between employers and trade unions in unionized workplaces; mechanisms to address changes in the employment structure of the workplace; and provides mediation services. The LRC also establishes the Labour Relations Board (LRB), which hears and determines applications and complaints under the LRC, makes orders that it deems appropriate, and provides mediation services to assist in the resolution of collective bargaining disputes.

In the industrial relations area, the ministry will move from a system that provides broad-based, all-inclusive industrial relations services to one that delivers streamlined, focused activities in a more efficient manner. It will ensure that the LRC will be reviewed to ensure that it is appropriate for today's workplaces.

Goal: Promote productive and competitive workplaces from which good relationships in the labour relations community can be developed.

Objective: Encourage mutual confidence between unions and employers.

Strategies:

- Provide information to LRB clients about LRC and industrial relations practices.
- Create an industrial relations environment that is responsive to the needs of workers, unions and employers.

Objective: Decrease lost workdays due to labour disputes.

Strategies:

- Encourage alternative dispute resolution processes.
- Encourage the use of resources in the community to develop quick resolution of disputes.
- Provide mediation services.

Objective: Decrease number of LRC contraventions.

Strategies:

- Provide information to LRB clients about LRC and industrial relations practices.
- Ensure LRB operations are suited to today's work environment.
- Create industrial relations environment that is responsive to needs of workers, unions and employers.

PENSION STANDARDS

The ministry's Pension Standards Branch administers the Pension Benefits Standards Act in the interests of B.C. pension plan members. The branch ensures that all B.C. pension plans meet the minimum standards set out in the act, and provides advice and information to pension plan members and plan administrators.

Goal: Retirement income security for British Columbians.

Objective: Well managed, secure pension plans; compliance of B.C. pension plans with the Pension Benefits Standards Act (PBSA); and, pension plan members and administrators receiving expert advice in an efficient and effective manner.

Strategies:

- Review plans registered by the superintendent thoroughly to ensure plans comply with the PBSA, which sets minimum standards for B.C. pension plans.
- Continue to make efficient, effective service a priority.
- Provide expert advice and information to pension plan members and plan administrators.
- Regular consultation with the pensions advisory council, made up of pension experts, for advice and expertise on pension policy issues.

Retirement income security

Indicator	1999/00	2000/01	2001/02	2002/03 (target)
Average funded ratio of multi-employer defined benefit pension plans *(assets divided by liabilities)*	.947	.980	.992	.970
Average funded ratio of single-employer defined benefit pension plans *(assets divided by liabilities)*	1.145	1.293	1.161	1.15

- The average funded ratio is an indicator of the aggregate financial health of B.C. pension plans. The funded ratio of pension plans is affected by many factors, including interest rates, investment markets, employment, and the decisions of pension plan administrators.
- The funded ratio is beyond the direct control of the Pension Standards Branch. However, if the average funded ratio declines, it is a signal to the Pension Standards Branch to increase monitoring efforts, and intervene where there might be pension plans that are not complying with the funding rules in the legislation.
- The targets are based on the economic and other assumptions commonly used in the actuarial valuation reports of these plans.

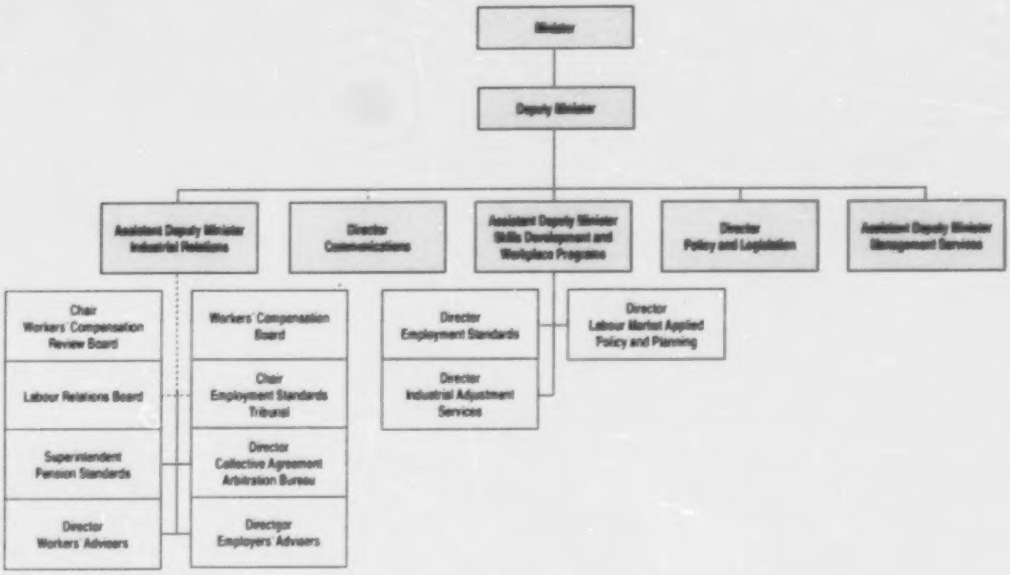
2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Minister's Office	417		417	382	35
Labour Relations and Labour Programs	18,106		18,106	17,975	131
Skills Development Programs	3,990		3,990	3,924	66
Labour Relations Board	7,728		7,728	7,666	62
Workers' Compensation Review Board and Compensation Advisory Services[1]	1		1	—	1
Total	30,242	0	30,242	29,947	295
Full-time Equivalents (FTEs)					
Total [2]	541		541	465	76
Ministry Capital (Expenditures) ($000)					
Information Systems [3]	3,991		3,991	962	3,029
Other	2,040		2,040	2,089	(49)
Total	6,031	—	6,031	3,051	2,980
Consolidated Capital Plan Expenditures ($000)					
N/a			0		0
Other Financing Transactions (Net Disbursements) ($000)					
N/a			0		0

[1] Gross expenditures of 17.9M were fully recovered from the Workers' Compensation Board's Accident Fund.
[2] Vacant positions have not been filled pending the outcome of various Core Reviews of Ministry programs.
[3] Systems redevelopment projects were put on hold or cancelled pending the outcome of various Core Reviews.

Corporate Profile

Ministry of Skills Development and Labour (March 2002)


Minister
Deputy Minister
Assistant Deputy Minister Industrial Relations
Director Communications
Assistant Deputy Minister Skills Development and Workplace Programs
Director Policy and Legislation
Assistant Deputy Minister Management Services
Chair Workers' Compensation Review Board
Labour Relations Board
Superintendent Pension Standards
Director Workers' Advisers
Workers' Compensation Board
Chair Employment Standards Tribunal
Director Collective Agreement Arbitration Bureau
Director Employers' Advisers
Director Employment Standards
Director Industrial Adjustment Services
Director Labour Market Applied Policy and Planning

Appendix 1: List of Crowns, Agencies and Boards

Workers' Compensation Board

The Workers' Compensation Board (WCB) is an independent administrative agency that operates under the authority of the Workers Compensation Act and administers the act for the Ministry of Skills Development and Labour. The WCB is dedicated to the safety, protection and good health of workers in British Columbia and is funded by employers in industries covered by the Act. The WCB produces its own annual report, which details its activities.

Workers' Compensation Review Board

The Workers' Compensation Review Board (WCRB) is an independent tribunal set up under Sections 89, 90 and 93 of the Workers Compensation Act to hear appeals regarding decisions made by the Workers' Compensation Board (WCB).

The WCRB produces its own annual report, which details its activities.

Labour Relations Board

The Labour Relations Board's mandate is to regulate the acquisition of collective bargaining rights, to resolve complaints brought before it under the Labour Relations Code, and to assist employers and employees in reaching collective agreements.

The Labour Relations Board (LRB) also produces its own annual report, which provides a comprehensive account of its activities.

Employment Standards Tribunal

The Employment Standards Tribunal is an independent agency established to hear and decide appeals of determinations made by the director of employment standards. Although the tribunal is located in Vancouver, the chair appoints adjudicators across the province to hear appeals and render decisions.

The tribunal issues approximately 900 decisions annually. The tribunal's service plan, detailed statistics, appeal forms and full text decisions can be found at the tribunal's Web site: www.bcest.bc.ca.

Industry Training and Apprenticeship Commission

The Industry Training and Apprenticeship Commission (ITAC) was created in November 1997 as a provincial government-sponsored, industry-driven, arms-length strategic policy board.

ITAC's mandate is to revitalize industry training and apprenticeship in British Columbia, to increase existing apprenticeships and to expand into new occupations. Operations and planning are carried out by the Ministry of Advanced Education.

ITAC produces its own annual report, which details its operations.

Gaming

Gaming Policy Secretariat, British Columbia Lottery Corporation (BCLC), British Columbia Gaming Commission, and the British Columbia Racing Commission, along with the Lottery Act and Lottery Corporation Act, were transferred to the Minister of Public Safety and Solicitor General (June 5, 2001).

Appendix 2: Legislation

April 1, 2001 – March 31, 2002

Barbers Act

Cosmetologists Act

Education Services Collective Agreement Act

Employment Standards Act

Fire and Police Services Collective Bargaining Act

Fire Department Act

Fishing Collective Bargaining Act

Greater Vancouver Transit Services Settlement Act

Health Care Services Collective Agreements Act[1]

Industry Training and Apprenticeship Act

Labour Relations Code

Ministry of Labour Act (except provisions re gas safety, electrical safety, elevating devices, boiler & pressure vessels)

Pension Benefits Standards Act

Skills Development and Fair Wage Act (Repealed effective September 26, 2001)

Workers Compensation Act (except s. 3 (6))

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[1] The *Health Care Services Continuation Act* was repealed by *Health Care Services Collective Agreements Act*

Appendix 3: Regional Offices

Employment Standards Branch Offices

Abbotsford
Burnaby
Courtenay
Cranbrook
Dawson Creek
Duncan
Kamloops
Kelowna
Nanaimo
Nelson
Penticton
Port Coquitlam
Prince George
Surrey
Terrace
Vancouver
Victoria

Employers' Advisers

Abbotsford
Cranbrook
Kamloops
Kelowna
Nanaimo
Prince George
Richmond
Victoria

Workers' Advisers

Abbotsford
Campbell River
Kamloops
Kelowna
Nanaimo
Nelson
Prince George
Richmond
Victoria

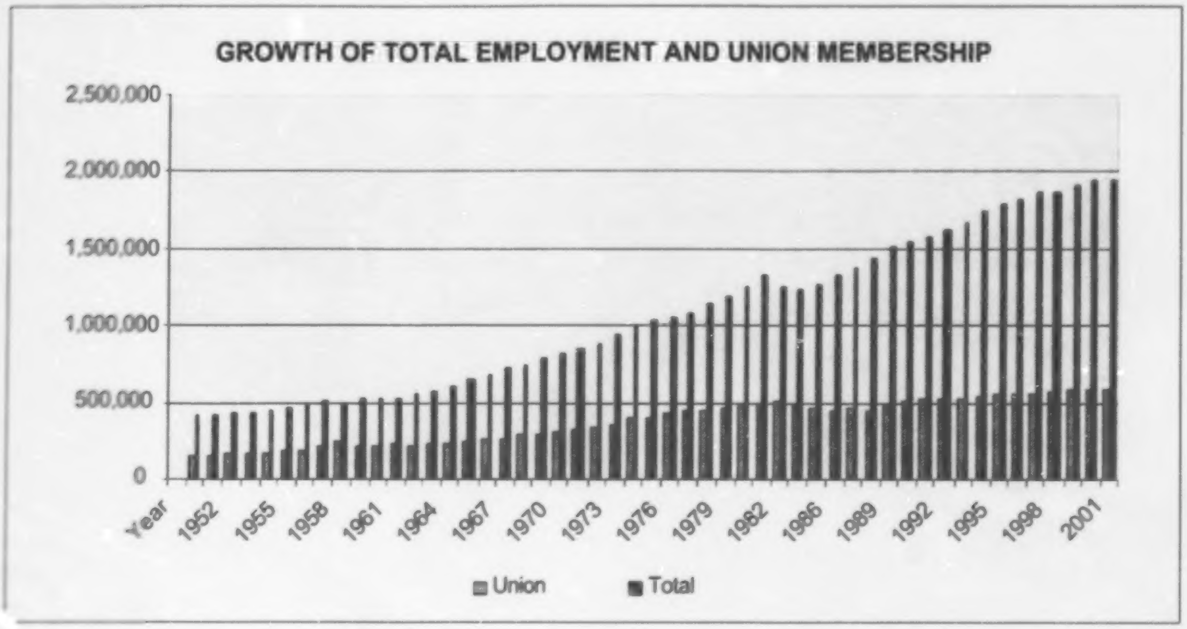
Industrial Adjustment Services Branch

Burnaby
Coquitlam
Cranbrook
Kelowna
Nanaimo
Prince George
Surrey
Terrace
Vancouver
Victoria

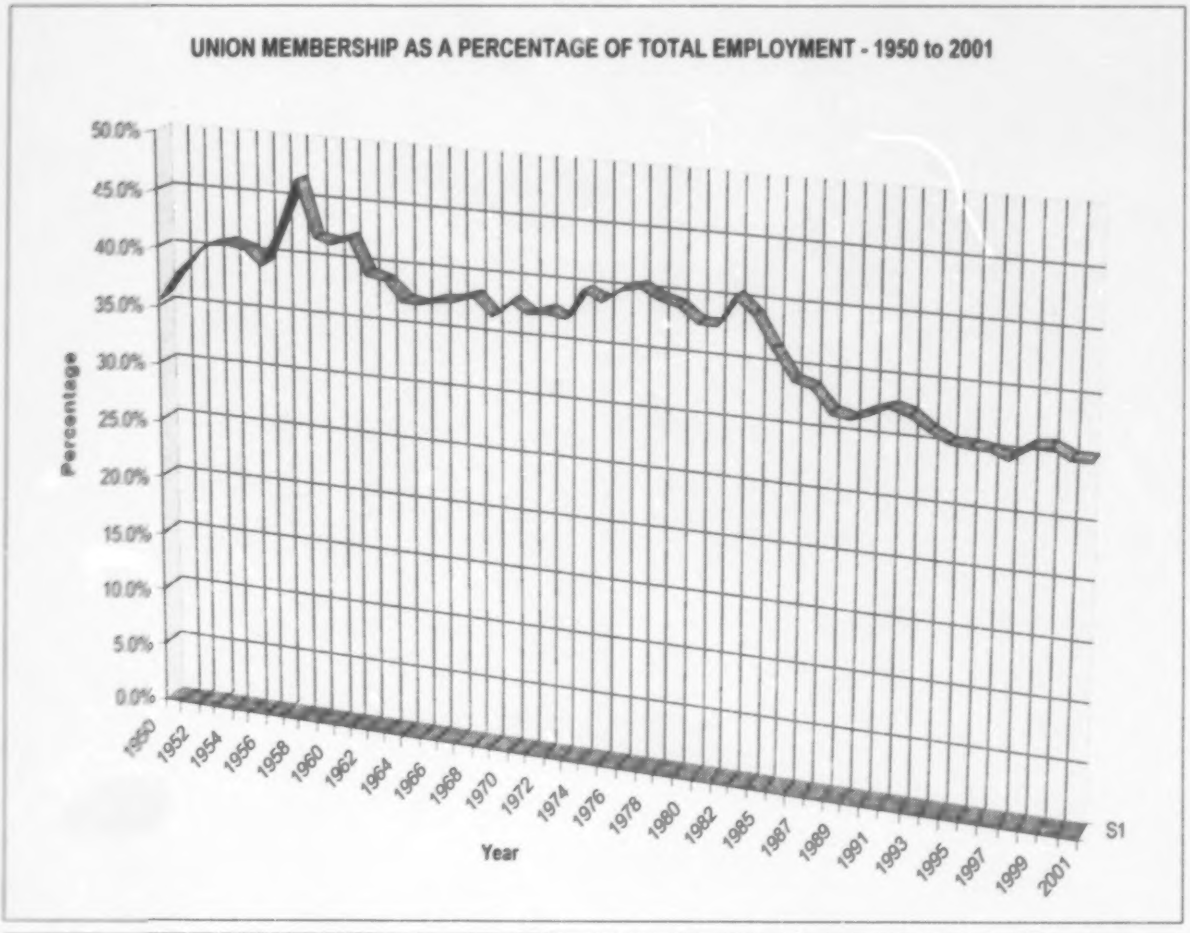
Appendix 4: Other Program Statistics

UNIONS WITH A MEMBERSHIP IN BRITISH COLUMBIA GREATER THAN 5,000

Relative Position 2001	Union	Membership 2001	Relative Position 2000
1	Canadian Union of Public Employees & Affiliates	112,370	1
2	BC Government and Service Employees' Union & Affiliates	72,115	2
3	BC Teachers' Federation	45,610	3
4	United Food & Commercial Workers' International Union	32,493	5
5	Industrial, Wood and Allied Workers of Canada & Affiliates	29,909	4
6	BC Nurses' Union	26,000	6
7	National Automobile, Aerospace . . . Workers (CAW) & Affiliates	24,322	7
8	International Brotherhood of Teamsters	19,522	8
9	Communications, Energy and Paperworkers Union of Canada	14,000	9
10	Public Service Alliance of Canada	14,000	10
11	Office & Professional Employees' International Union	12,935	11
12	Health Sciences Association of BC	12,796	14
13	International Union of Operating Engineers	12,538	12
14	Hotel, Restaurant & Culinary Employees' & Bartenders' Union	10,500	15
15	Telecommunications Workers' Union	10,405	16
16	United Brotherhood of Carpenters & Joiners of America & Affiliates	9,353	18
17	International Brotherhood of Electrical Workers	9,324	17
18	International Association of Machinists & Aerospace Workers	8,882	13
19	United Steelworkers of America	8,094	19
20	Christian Labour Association of Canada	7,664	22
21	Canadian Union of Postal Workers	6,641	20
22	College Institute Educators' Association	6,460	21
23	Pulp, Paper & Woodworkers of Canada	6,281	23
24	Laborers' International Union of North America	6,106	24



GROWTH OF TOTAL EMPLOYMENT AND UNION MEMBERSHIP



UNION MEMBERSHIP AS A PERCENTAGE OF TOTAL EMPLOYMENT - 1950 to 2001

UNION MEMBERSHIP IN BRITISH COLUMBIA, 1950-2001[1]

Year	BC Union Membership	Percentage Change From Previous Year	Total Employment	Estimate of Union Membership as a Percentage of Total Employment
1950	146,259	2.3	411,000	35.6
1951	157,287	7.5	416,000	37.8
1952	170,036	8.1	429,000	39.6
1953	174,894	2.9	432,000	40.5
1954	178,533	2.1	437,000	40.9
1955	186,951	4.7	462,000	40.5
1956	191,952	2.7	489,000	39.3
1957	216,070	12.6	509,000	42.4
1958	233,972	8.3	501,000	46.7
1959	219,279	-6.3	521,000	42.1
1960	215,437	-1.8	516,000	41.8
1961	221,946	3.0	527,000	42.1
1962	216,685	-2.4	551,000	39.3
1963	222,138	2.5	571,000	38.9
1964	226,690	2.1	605,000	37.5
1965	237,864	4.9	639,000	37.2
1966	256,241	7.7	678,000	37.8
1967	273,946	6.9	723,000	37.9
1968	287,502	5.0	750,000	38.3
1969	292,842	1.9	795,000	36.8
1970	310,222	5.9	810,000	38.3
1971	316,587	2.1	847,000	37.4
1972	332,091	4.9	879,000	37.8
1973	350,175	5.5	937,000	37.4
1974	395,846	13.0	996,000	39.7
1975	401,608	1.5	1,027,000	39.1
1976	426,723	6.3	1,062,000	40.2
1977	439,730	3.0	1,085,000	40.5
1978	450,802	2.5	1,134,000	39.8
1979	465,980	3.4	1,185,000	39.3
1980	480,680	3.2	1,263,000	38.1
1981	501,001	4.2	1,317,000	38.0
1982	507,965	1.4	1,252,000	40.6
1983	488,239	-3.9	1,246,000	39.2
1985	466,864	-4.4	1,274,000[2]	36.6
1986	454,410	-2.7	1,328,000	34.2
1987	464,279	2.2	1,375,000	33.8
1988	457,285	-1.5	1,435,000	31.9
1989	477,633	4.4	1,509,000	31.7
1990	502,036	5.1	1,555,000	32.3
1991	516,975	3.0	1,573,000	32.9
1992	524,158	1.4	1,620,000	32.4
1993	525,948	0.3	1,676,000	31.4
1994	536,653	2.0	1,754,000	30.6
1995	545,219	1.6	1,792,000	30.4
1996	551,920	1.2	1,821,000	30.3
1997	558,191	1.1	1,869,000	29.9
1998	578,343	3.6	1,870,000	30.9
1999	592,413	2.4	1,906,000	31.1
2000	590,380	-0.3	1,949,000	30.3
2001	594,070	0.6	1,952,000[3]	30.4

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[1] Source: Statistics Canada Labour Force Survey.

[2] Data for 1984 not available.

[3] Estimated.

Important Note to Table on Previous Page

Beginning with the 2000 *BC Labour Directory*, this ministry changed certain statistics used to create this table due to two changes in the statistics published by Statistics Canada. These statistical changes have the effect of revising downward the estimated percentage of the workforce that is unionized. For example, under the new approach, the 1999 estimate is revised to 31.1% compared to the 36.2% figure published in the 1999 *BC Labour Directory*. Because of this impact on the estimated percentage of unionized workers, the ministry wants to ensure that our readers fully understand the following two changes made by Statistics Canada and their impact on this table.

1. "Paid Workers" Replaced by "Total Employment":

Statistics Canada eliminated its figures on "paid workers" in the province and replaced these with figures on the "total employment" in the province. The old "paid workers" figures included anyone who was an employee as well as self-employed individuals who did not employ any employees. The new "total employment" figures include separate figures on the number of employees and the number of self-employed individuals. However, they do not distinguish between self-employed individuals who do and do not employ other employees.

The ministry feels that of the two alternatives now available, it is more appropriate to use the "total employment" figure that includes all self-employed individuals because this is more consistent with the union membership data collected by the ministry. Many B.C. workers in the forest, film, construction and other sectors are union members even though their labour market status according to Statistics Canada methodology is self-employed.

2. Revised Population Figures:

Statistics Canada also revised upwards all of its historical data series based on updated population figures from the latest Census of Canada. This resulted in changes in the previously published official estimates of "paid workers" and "total employment" and required the ministry to revise the historical series published in this table before 2000, rather than simply changing approaches from 2000 forward.

These two changes together have the effect of increasing the estimated size of the B.C. workforce. When the higher estimated workforce is compared to the number of union members, it has the result of reducing the estimated portion of the workforce that is unionized. The following table summarizes the impact of these statistical changes.

Summary Table: Percent of Workforce Unionized

	Revised "Total Employment" Series (new approach)	Previously Published "Paid-Workers" Series (old approach)
1991	32.9%	36.4%
1992	32.4%	36.3%
1993	31.4%	35.7%
1994	30.6%	34.9%
1995	30.4%	34.8%
1996	30.3%	34.8%
1997	29.9%	34.9%
1998	30.9%	36.2%
1999	31.1%	36.2%
2000	30.3%	Not available

WORK STOPPAGES IN BRITISH COLUMBIA

Three year comparison by industry 1999 to 2001[a]

	Stoppages			BC Workers Directly Involved			Duration in Worker Days		
	1999	**2000**	**2001**	**1999**	**2000**	**2001**	**1999**	**2000**	**2001**
ALL INDUSTRIES	56	81	**44**	28,324	42,514	**25,754**	227,462	403,446	**456,528**
PROVINCIAL	51	80	**41**	22,917	41,114	**21,518**	194,065	400,796	**448,909**
FEDERAL	5	1	**3**	5,407	1,400	**4,236**	33,397	2,650	**7,619**
GOODS PRODUCING	11	14	**12**	2,093	13,605	**2,028**	29,686	168,420	**90,851**
Agriculture									
Forestry		1	1		400	350		400	700
Fishing, Hunting									
Mining & Oil & Gas Extraction		1	1		350	74		720	1,470
Utilities			2			520			13,256
Construction									
Manufacturing	11	12	8	2,093	12,855	1,084	29,686	167,300	75,425
SERVICE PRODUCING	45	67	**32**	26,231	28,909	**23,726**	197,776	235,026	**365,677**
Trade	3	7	5	48	204	148	1,759	4,214	4,570
Transportation/Warehousing	8	6	6	6,011	2,163	4,032	32,465	14,206	242,377
Information/Cultural Industries	5	5	2	1,281	1,988	228	17,895	8,951	5,622
Finance	2	1	2	106	82	52	1,665	978	744
Professional/Scientific									
Management									
Administrative Support									
Educational Services	6	40	2	4,523	19,410	463	18,396	75,840	675
Health Care/Social Assistance	3		7	10,728		14,150	58,529		60,718
Arts, Entertainment & Recreation			4			508			22,624
Accommodation, Food Services	7	5	3	913	2,407	151	9,976	45,961	10,193
Other Services	5	2		467	155		29,341	2,222	
Public Administration	6	1	1	2,154	2,500	3,994	27,750	82,654	18,154

Preliminary

Finance, Insurance, Real Estate & Rental and Leasing

Professional, Scientific and Technical Services

Management of Companies and Enterprises

Administrative Support, Waste Management & Remediation Services

The teachers, nurses and health care facilities strikes were counted in the number of stoppages but no figures were available for numbers of workers or days lost.

Source: Policy and Legislation Branch, Ministry of Skills Development & Labour

Industrial Adjustment Services Summary 2001 - 2002

The Industrial Adjustment Services (IAS) is a joint provincial/federal program that acts as a catalyst to bring employer and employee representatives together in a joint committee structure. The mission of the IAS Program is to promote and facilitate effective labour market adjustment in order to contribute to economic stability in British Columbia.

Active contracts in 2001/02 fiscal year:	237 firm specific 20 sectoral

The 20 sectoral IAS agreements include the following industry sectors:

Fish harvesting and seafood sectors	Aerospace
Film and animation	Horticulture
Health	Education
Logging & wood industry	Arts and culture
Business service sector	Tourism

The primary focus of the sectoral IAS agreements is:

- developing industry standards
- identifying skill requirements and gaps
- developing certification programs
- succession planning

The 237 firm specific agreements are regionally based and impact close to 18,500 workers throughout the province. The majority of the firm specific agreements focus primarily on:

- human resource planning
- organizational development
- expansion planning
- technological changes within the company

There are 42 agreements dealing with closures and threat of layoff situations impacting approximately 7,275 workers.

The industry related areas for regional contracts are quite diverse. The major industry areas represented by IAS agreements in 2001/02 are:

- Manufacturing
- Tourism
- Technological/communication
- Resource industries (mining, forestry, fishing)
- Construction trades

Ministry of
Sustainable Resource
Management

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

Ministry of
Sustainable Resource
Management

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Sustainable Resource Management.
Annual Report. — 2001/2002 -

Annual.
Also available on the Internet.
Report year ends Mar. 31.
Continues in part: British Columbia. Ministry of Environment, Lands and Parks. Annual report. ISSN 1195-4825.

ISSN 1703-3446 = Annual report - British Columbia. Ministry of Sustainable Resource Management.

1. British Columbia. Ministry of Sustainable Resource Management - Periodicals. 2. Environmental policy - British Columbia - Periodicals. 3. Sustainable development - British Columbia - Periodicals. 4. Land use – Government policy - British Columbia - Periodicals. I. British Columbia. Ministry of Sustainable Resource Management. II. Title. III. Title: Ministry of Sustainable Resource Management ... annual report.

HD75.6.B7B74 354.3'33'0971105 C2002-960126-6

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Published by the Ministry of Sustainable Resource Management
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Sustainable Resource Management Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Stan Hagen

Honourable Stanley B. Hagen
Minister of Sustainable Resource Management

June, 2002

BRITISH
COLUMBIA

**Ministry of
Sustainable Resource
Management**

The Ministry of Sustainable Resource Management was created in June 2001, with a clear mandate to promote a vibrant economy through the sustainable development of our province's natural resources, while maintaining our environmental integrity. This ministry is the primary provincial agency responsible for land-use planning and co-ordination of the land and water policies necessary for the development of our natural resources. It provides the leadership required to find the balance between economic development and environmental integrity, as well as providing key information about our natural resources. These functions are of critical importance in ensuring improvement in both British Columbia's ability to attract private investment and the ability of our industries to compete in global markets.

The establishment of the Ministry of Sustainable Resource Management represents a substantial change in the way the government will deliver its land-use planning and resource inventory information services to British Columbians over the next three years. As a result of integrating and streamlining functions of several ministries and agencies, we will be able to provide clients with access to all relevant planning, data and information about Crown land and resources through a single ministry with regionally-based access points. The ministry will also provide the Land Reserve Commission and Land and Water British Columbia Inc. with strategic direction to ensure that decisions about Crown land are sustainable, accountable and responsible.

The ministry's first 10 months have been exciting and productive. It has been a time of great change. Change can be unsettling, but it also offers unique opportunities to challenge our perspectives, our goals and our future. I have had many opportunities to meet with British Columbians throughout the province who are united in their passion for managing public resources in a balanced manner. And wherever I go, I find commitment to this ministry's ultimate vision: a vibrant provincial economy that supports the social and environmental values of British Columbians — now and for future generations.

I am very pleased to provide this, my ministry's first annual report, outlining the progress we have made in our first 10 months. I also look forward to the next few years as we work to implement our ministry service plans — plans that will lead us into a sustainable future.

Stan Hagen

Honourable Stanley B. Hagen
Minister of Sustainable Resource Management

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Year-at-a-Glance Highlights

Creation of the Ministry

The Ministry of Sustainable Resource Management was formed in June 2001 to provide provincial leadership for the sustainable economic development of the province's land, water and resources. In particular, the purpose of the ministry is to bring about change and find new ways to strike a balance between economic development and environmental integrity. This balance will be guided by a number of overarching principles of sustainability, which are discussed below.

A 2001/02 service plan was released in October, specifying a number of short-term goals as well as laying the groundwork for the next three years. This was followed by the 2002/05 Service Plan, released with those of all other ministries on February 19, 2002.

Sustainability Principles

The ministry has developed ten draft sustainability principles that will guide provincial resource management policies. Following consultation with key stakeholders and the public, the draft principles will be presented to Cabinet for approval in the fall of 2002. The draft sustainability principles are:

- **Accountability:** Setting performance-based standards and indicators and implementing mechanisms for compliance, auditing and reporting on progress towards sustainable resource management. An effective enforcement regime is a key part of accountability.
- **Certainty:** Making timely and clear resource management decisions within a predictable and understandable regulatory framework.
- **Competitiveness:** Ensuring that British Columbia remains internationally competitive by removing barriers to investment and promoting open trade.
- **Continual improvement:** Learning from the past and looking for new and improved approaches to resource management.
- **Efficiency:** Maximizing the net benefits arising from the allocation, development and use of natural resources.
- **Innovation:** Encouraging innovative approaches, technologies and skills to ensure the sustainability of natural resources.
- **Integration:** Ensuring that resource management decisions integrate economic, environmental and social considerations for the benefit of present and future generations.
- **Science-based decision-making:** Making justifiable decisions informed by science-based information and risk assessment.
- **Shared responsibility:** Encouraging co-operation among First Nations; federal, provincial and local governments; industry and non-governmental organizations in developing and implementing resource management policies.
- **Transparency:** Establishing open and understandable decision-making processes including consulting with key interests prior to making decisions. Transparency also includes the public release of monitoring and compliance records, and tracking of sustainability indicators.

Accountability mechanisms, decision support tools and sustainability indicators are also being developed to assist in the application of the principles. Examples include: an umbrella land and resource information strategy; an integrated environmental monitoring strategy; and mapping and modelling tools to assist in the development of a results-based forest practices code and a definition for the working forest land base.

Land-Use Plans

- Decisions on the Southern Rocky Mountain (Kootenay), Central Coast and Lillooet land-use plans were reviewed and the ministry has developed a more focused, streamlined planning process to move forward on these and other land and resource management plans (LRMPs) and coastal plans. These processes focus on facilitating sustainable economic development while ensuring that the environment is protected.
- LRMP tables for the North Coast and Sea to Sky have been convened, and the Central Coast Completion Table is working toward completing its final LRMP by the end of March 2003. In addition, preliminary work with the Haida has begun and will lead to an LRMP for the Queen Charlotte Islands by the spring of 2004.
- The first phase of the Nanaimo Estuary Plan is complete. Coastal plans for Baynes Sound, Okeover Inlet, Cortes Island and North Island Straits are nearing completion.
- Work is underway on six LRMPs, with two (Lillooet and Kootenay) nearing completion in the next few months.
- A new process for Sustainable Resource Management (SRM) Planning is the key result from considerable work during the year on simplifying and replacing a previously confusing array of planning processes. SRM Planning is a new approach that allows the ministry to implement land and resource management plans, identify economic development opportunities, and conserve environmental values. A working paper on SRM Planning is to be released in April 2002.

Coast Sustainability Strategy and Trust

The Coast Sustainability Strategy encompasses the North Coast, Central Coast and Queen Charlotte Islands planning areas. The strategy is a coordinated effort to complete the three land- and resource-use plans, define and implement eco-system–based forest management, honour protocol agreements made with First Nations, and establish the Coast Sustainability Trust. The $35-million trust has been established to mitigate any adverse economic impacts resulting from land-use plan decisions for the Central Coast, North Coast and Queen Charlotte Islands. This is an outcome of Central Coast Land-Use Plan agreements made in April 2001.

Land and Water British Columbia Inc.

Improvements in business processes at Land and Water British Columbia Inc. (LWBC, formerly the B.C. Assets and Land Corporation) have helped clarify land and water resource development opportunities and speed up allocation processes. This will contribute to increasing investor confidence, minimizing social conflicts and increasing economic returns without undue environmental impacts. For detailed information refer to LWBC 2001/02 Annual Report.

- The backlog of Crown land applications has been virtually eliminated (97 per cent reduction) and the redesigned land tenure process is meeting new service targets on new applications.

- In January 2002, land and water licensing functions were integrated by transferring operational delivery of the water function to LWBC.
- LWBC has exceeded the 30 per cent reduction target in the water licence backlog. The corporation is working towards a 90 per cent reduction for the next fiscal year.

Legislation

In January 2002, the ministry submitted a three-year deregulation plan for reducing its 7,568 regulatory requirements. Initial opportunities for reducing 2,095 or 28 per cent of the requirements were identified.

The main legislative changes introduced during the spring 2002 legislative session include:

- a new *Agricultural Land Commission Act*, which implements the *New Era* commitment to make the commission more regionally responsive to community needs; the act repeals and incorporates provisions of existing legislation, establishes six regional panels, prepares for the elimination of the Forest Land Reserve, and streamlines the agricultural land reserve regulatory framework
- amendments to the *Land Surveyors Act* to more clearly define the roles and titles of professional land surveyors, establish a professional practice review program and update corporate practices of the Corporation of Land Surveyors of B.C.; all of these changes will ensure high professional standards and quality public service
- amendments to the *Water Act* transferring statutory approving authorities to LWBC
- funding amendments to the *Muskwa-Kechika (MK) Management Area Act* to make the planning and budget process more efficient.

Registries Integration

The ministry is working on integrating the registry systems for all tenures and other legal encumbrances on Crown land and resources. Under this updated system, the Internet will be the principle access for registry and mapping information. A consolidated Web portal for provincial land and resource information has been completed, and a framework for completing the integration project has been developed.

E-filing

A number of steps have been taken in developing an e-filing system for submitting land title documents over the Internet. This project will move the submission of paper documents to electronic format allowing for more effective delivery and decentralization of services.

Archaeology Site Awareness Project

Progress is being made on registering information about known archaeology sites on land titles. In 2001/02, the ministry began policy development for structuring and maintaining the Provincial Heritage Register. It also completed a first stage review of archaeology site records covering approximately one-fifth of the sites estimated to be on private land across the province. A process is being developed to notify property owners of such sites.

Public-Private Partnerships

The government is close to signing the first public-private partnership agreement developed by the ministry. The agreement will provide for forestry data sharing with Canfor, Weyerhaeuser, Weldwood and Lignum.

In order to deliver integrated land and resource information to clients in an effective and efficient manner, the ministry is also leading the negotiation of partnership agreements between the province, municipalities, utilities and representatives of private landowners in relation to mapping and surveying services.

Environmental Monitoring — Systems Integration

A strategy framework to support an integrated environmental monitoring system for British Columbia is being developed. The first phase of the strategy involves rationalizing, integrating and consolidating environmental monitoring activities within government. Subsequent phases will widen the consultative process and engage client-stakeholders outside government in reviewing opportunities for further integration.

Decision Support Services

An important directory of federal and provincial land and resource information was published through a partnership between the ministry and the federal Treaty Negotiation Office. The *Guide to Land and Resource Information: A Directory of Provincial and Federal Inventories* will be of interest in First Nation negotiations; land and resource planning and management; and economic development in British Columbia.

Five indicators (road density; road crossings; estuary use and protection; and community watersheds) were developed for *British Columbia Environmental Trends 2002* to be released by Ministry of Water, Land and Air Protection (MWLAP). These indicators will provide additional support to environmental monitoring and reporting.

A strategic land use planning Web site was developed to provide the public with easier access to the process for determining how the province's land will be used both now and in the future. Strategic land-use plans help ensure that resource management decisions take into account the needs of communities, the economy and the environment.

Governance and Co-ordination versus Monitoring and Enforcement

The ministry continues to exercise its governance and co-ordination roles on land and resource management. This includes collaborating with agencies such as MWLAP to ensure that adequate standards are established for the preservation of environmental integrity under any land and water plans developed by the ministry. Monitoring and the enforcement of compliance by resource users with environmental standards are the responsibility of MWLAP, as well as other resource ministries.

Ministry Role and Services

Vision

A vibrant economy supporting the social and environmental values of British Columbians.

Mission

To provide provincial leadership for sustainable economic development of the province's land, water and resources.

The Ministry of Sustainable Resource Management is the primary provincial agency responsible for strategic planning and policy setting to guide land and water allocation. In pursuit of its vision and mission, the ministry undertakes activities aimed at achieving faster, lower-risk public and private decision-making; lower costs overall; increased investor confidence and investment; and, ultimately, increased economic and social benefits — while maintaining environmental values.

Ministry Goals

The ministry aims to achieve its mission through the realization of five broad goals:

- sound governance;
- sustainable development of land and resources;
- effective delivery of integrated, science-based land, resource and geographic information;
- streamlined land and water management; and
- organizational excellence.

These goals are described in detail in Performance Reporting, along with the objectives and strategies pursued and the performance realized under each goal.

Principles and Organizational Values

The ministry's management approach to achieving its mandate, strategic goals and delivery of public services is guided by a set of principles and organizational values.

The ministry committed in its service plans to a set of principles to guide its activities and delivery of public services. These have now been replaced by the sustainability principles listed in the Year at a Glance Highlights.

The ministry is committed to the following values regarding organization and staff behaviour:

- professionalism in all interactions with clients and staff;
- high-quality client service that is streamlined for efficiency and timeliness;
- respect for the opinions and values of others;

- creativity and innovation in achieving the ministry's goals and objectives;
- responsive management in a changing environment;
- continual improvement in performance; and
- accountability to the people of British Columbia.

Alignment with Government Goals and Core Values

Through its goals, the ministry supports two of the government's three long-term goals:

- a strong and vibrant provincial economy; and
- safe, healthy communities and a sustainable environment.

Through its principles and organizational values, the ministry also supports the government's core values of integrity, fiscal responsibility, accountability, respect and choice.

Organizational Structure

Each ministry goal is supported by one or more of the ministry's five divisions, which focus on certain functions or activities requiring particular expertise. The ministry's divisions are:

- **Corporate Policy and Planning Division** — oversees development of strategic policy, including policies to guide negotiations with First Nations, ministry legislation and service planning and reporting;
- **Resource Management Division** — oversees land and resource management planning, resource planning, coastal and marine planning and the Working Forest Initiative;
- **Registries and Information Services Division** — provides public and private clients with information from the ministry's resource information databases, land titles and registries;
- **Business and Information Services Division** — provides information services and products to support economic development, planning and treaty negotiations; and
- **Corporate Services Division** — delivers shared human resource, financial and administrative services to the Ministry of Sustainable Resource Management, the Ministry of Water, Land and Air Protection, Land and Water British Columbia Inc., the Environmental Assessment Office and the Land Reserve Commission.

Appendix A illustrates the organizational structure and reporting relationships in the ministry.

Ministry Services

The Ministry of Sustainable Resource Management was established in June 2001 to provide a single access point to planning, data and information about Crown land and resources by integrating and streamlining functions previously performed by numerous ministries and agencies. The ministry provides the public with services through the following broad activities:

- providing corporate leadership in land, water and resource policy and planning;
- consolidating information on land, water and natural resources regarding tenures, capability and values;

- making timely and sustainable decisions on land and water allocation and management;
- stimulating resource-based economic development; and
- upholding environmental values.

Strategic Shifts

Over the next three years, significant functions will be delivered through partnerships with industry, academia and societies to ensure better services and reduced net delivery costs. Strategic shifts include:

From	To
Slow, rigid and costly land-use planning processes	Firm timelines for balanced land-use plans
Expensive, inefficient land and resource information databases and registries	Streamlined access to integrated databases, and electronic filing (e-filing) of land titles and surveys
Slow decisions and a large backlog of land and water applications	Timely, balanced decisions and backlogs eliminated
Prescriptive regulations	Performance-based regulations
Unbalanced resource decisions	Sustainable and balanced resource management based on sound science-based allocation principles

Overview of the 2001/02 Operating Environment

A number of external economic, social and environmental factors affected the demand for the ministry's services in 2001/02. For example, there was a growing demand for resource-based products and effective land-use plans, an increasing pressure on limited agriculture land and shorelands resulting from a growing population, and a growing need to diversify the economy of resource-based communities.

There was only one unforeseen factor of any significance. The recent Haida and Taku River B.C. Court of Appeal decisions have altered the law governing B.C.'s relations with First Nations. These decisions had a limited impact on the ministry's work. They increased the demand for work on consultation guidelines under Goal 1 (sound governance), but have also increased the clarity and certainty of this work. The expected increase in demands on land- and marine-use planning processes is yet to be felt in any significant way.

Update on *New Era* Commitments

The Ministry of Sustainable Resource Management is responsible for meeting seven *New Era* commitments and completing 10 key projects listed in the Premier's letter to Minister Hagen on June 25, 2001. These commitments and projects are listed in Table 1, along with a brief description of progress on each. Further details are given in Performance Reporting.

Table 1: Progress on Implementing the *New Era* Commitments and Key Projects

GOVERNMENT STRATEGIC DIRECTION	PROGRESS
***New Era* Commitment**	
1. Eliminate backlog and delays in Crown land applications.	LWBC, as the organization responsible for processing Crown land applications, has succeeded in virtually eliminating the backlog. (*See* LWBC's 2001/02 Annual Report).
2. Provide faster approvals and greater access to Crown land and resources to protect and create jobs in tourism, mining, farming, ranching, oil and gas production.	The redesigned process for land tenure approvals employed by LWBC has been meeting its new target turn-around time since November. (*See* LWBC's 2001/02 Annual Report).
3. Make the Land Reserve Commission more regionally responsive to community needs.	The commission has reorganized as six regional panels. The new *Agricultural Land Commission Act* will also reinforce regional responsiveness by providing more local government control over land use and subdivision in the Agricultural Land Reserve and by introducing a dispute resolution process for community issues. (*See* the Land Reserve Commission's 2001/02 Annual Report).
4. Establish a working forest land base to provide greater stability for working families and to enhance long-term forestry management and planning.	A discussion paper outlining policy options around the working forest is being drafted and internal ministry consultations are underway.
5. Adopt a scientifically-based, principled approach to environmental management that ensures sustainability, accountability and responsibility.	A set of sustainability principles is being developed in consultation with other resource ministries for application in key government decisions regarding natural resources. Accountability mechanisms, decision-support tools and sustainability indicators are also under development.
6. Give property buyers more information about prospective properties by ensuring that notices of known archaeological sites must be registered with the Land Title Office.	Approximately one-fifth of known archaeological sites thought to be on private land have been reviewed. A process is being developed for notifying private property owners that notices of such sites will be placed on their titles. Ways to mitigate impacts on these owners are being analyzed.
7. Deregulation — immediately identify good opportunities to eliminate unnecessary and costly regulations.	The ministry submitted a three-year plan in January 2002 for reducing its 7,568 regulatory requirements. Initial opportunities for a 28% reduction in these requirements were identified. Completion of the outstanding regulatory program reviews and resulting shifts to performance-based regulatory approaches is expected to enable MSRM to achieve the one-third regulatory reduction target.

Key Projects	
1. Build a structure for the ministry and prepare a business plan to implement the objectives of the government in this area.	The ministry's purpose, strategies and structure have been defined in its service plans for 2001/02 and 2002/05, in line with the government's original concept of the ministry and its core review decisions. Key organizational structures have been put in place. Critical management positions have been filled and workforce adjustments and renewal in line with government policy are well underway.
2. Review the status of existing land-use plans and current land-use planning processes and develop a strategy to conclude province-wide land-use plans in a manner that is expeditious and balanced and results in plans that can be implemented on the ground without significant delays.	A timetable for completion of land and resource use planning has been approved, and work on the plans is proceeding. (*See* Performance Reporting for more detail.)
3. Develop a plan to resolve land and water use conflicts between ministries and external interests.	Land- and water-use conflicts are being resolved through strategic land-use planning (LRMPs), sustainable resource management plans (SRMPs) and coastal and marine planning. These planning processes will ensure that all resource values and stakeholder interests are taken into account.
4. Reduce the backlog in (water) applications.	A significant reduction, almost 50%, of the backlog in water licence applications has been achieved. The backlog is expected to be virtually eliminated by the end of 2002/03. (*See* LWBC's 2001/02 Annual Report for more detail.)
5. With the Ministry of Water, Land and Air Protection, develop a program to implement the Living Rivers Strategy.	Work on the Living Rivers strategy is underway. A discussion paper is expected to be released for public comment in the fall of 2002.
6. Rationalize the numerous land and resource inventory information systems to create a central source of integrated information that can be accessed by users both within and outside government.	This is a three-year project due to be completed in March 2004. The first phase, identifying the business requirements of current and potential users for an integrated data warehouse, has been completed.
7. Create a central registry for all tenures and other legal encumbrances on Crown land and resources.	This is a multi-phase project integrating groups of registries over three years. A development plan to guide the next phases has been completed.
8. Optimize the financial return from the use of Crown land and water resources consistent with province's land-use and water policy objectives.	As part of the government's fee and licence review, the ministry is currently proposing an overall reduction in the number of fees and licences of 55% through consolidation and elimination. Further work on the value of fees and licences, their impacts by sector and consultations on these changes will be undertaken in 2002/03.
9. Examine the feasibility of establishing a 20-year plan for infrastructure rights-of-way.	This project will be initiated in 2002/03.
10. Within 18 months, develop a working forest land base on Crown land for enhanced forestry operations, accompanied by effective and streamlined approval processes for forest operations in those zones.	A discussion paper outlining policy options around the working forest is being developed and internal ministry consultations are underway.

Performance Reporting

The performance of the ministry during 2001/02 is reported below under the objectives, strategies, measures and targets specified in a published service plan dated October 1, 2001 to March 31, 2002. The goals, however, have been updated to those in the ministry's 2002/05 service plan.

Goal 1: Sound Governance

Principles, policies and legislation to guide sustainable resource management

British Columbia's land and natural resources are predominantly publicly owned. Responsible stewardship and development of these resources is the responsibility of the provincial government. The ministry fulfils this responsibility by ensuring sound governance that will enable and promote development by the private sector in a manner that benefits current and future generations of British Columbians. Important elements of ensuring sound governance are:

- principles, indicators and tools to guide the public and private sectors in sustainable resource management;
- a sustainable economic development strategy;
- realistic pricing of resources;
- effective policies to guide relations with First Nations; and
- principles to guide regulatory reduction and reform.

The ministry made significant progress in 2001/02 in developing and implementing a strong foundation of policies and legislation in a reduced regulatory environment.

Objective 1: Establish policy and legislative frameworks to support the economic and sustainable use of land, water and other resources

Strategy	Performance Measure	Target	Actual	Explanation of Variance Results and Outcomes
Sustainability Principles				
1. Develop a sustainable resource management strategy for British Columbia, including: • strategic direction; • decision-making tools; and • accountability mechanisms.	• Approved framework for the development and application of a sustainable resource. management strategy	Nov. 30, 2001	A draft set of sustainability principles has been developed, has been approved by the Deputy Minister's Committee on Natural Resources and the Economy (DMCNRE), and is expected to be submitted to Cabinet in May 2002.	• The ministry was directed by DMCNRE to focus initially on the development of sustainability principles rather than on a broad sustainable resource management strategy for the province. • Additional discussions with the B.C. Progress Board are required before finalizing a sustainability reporting program. • A conference on "Governance for Sustainability" has been planned for Whistler in June 2002. • Consultation on the sustainability principles is expected to take place over the summer of 2002. • A final set of sustainability principles and implementation plan is expected to be taken to Cabinet in the fall of 2002
	• Approved plan for implementation of strategy, including reporting processes	Feb. 28, 2002		
	• Approved plan for incorporating strategy into government decision-making	Mar. 31, 2002		
First Nations Policy				
2. Review and revise as necessary overarching policy and guidelines for consulting First Nations regarding decisions on Crown land and resource use.	• Approved, revised consultation policy and work completed with other ministries for consistent application of this policy across government	Feb. 28, 2002	Consultation guidelines under development	• Two recent Court of Appeal decisions resulted in the need for major policy changes. • The consultation guidelines are the major vehicle through which government meets constitutional and fiduciary obligations to First Nations while supporting the economic and sustainable use of land, water and other resources. • A new policy is expected to be released in the summer of 2002.

3. Provide corporate leadership on land and resource mandates for negotiations with First Nations, and identify opportunities for First Nations in economic development.	• Timely, relevant analysis and advice provided on all major issues	Ongoing	Ongoing	• Provided the Treaty Negotiation Office (TNO) and B.C. Referendum Office with information and advice on the referendum on principles for treaty negotiations. • Provided various ministries with ongoing advice on mandate issues for treaty negotiations to assist in the revitalization of the treaty negotiation process.
	• Opportunities identified for First Nations in Coastal Strategy	Mar. 31, 2002	Mar. 31, 2002 and ongoing	• Protocols were agreed to with coastal First Nations covering land-use planning. Within those concerning economic development opportunities, the ministry and TNO are working with First Nations to develop business strategies and plans — including the identification of resource tenure opportunities — in the tourism, fisheries and forestry sectors.
Land and Water Policy				
4. In collaboration with resource ministries, develop a framework for sectoral development strategies for mining and oil and gas; forestry; agriculture; aquaculture; and tourism that incorporate resource sustainability principles and key deliverables for land, water and other resource planning.	• Approved sectoral development strategy framework	Dec. 31, 2001	Dec. 31, 2001 Draft work on tourism and recreation strategies completed Mar. 31, 2001; strategies are being refined in response to core review request	• Core review requested a reassessment of roles and responsibilities associated with tourism and recreation. • Development strategies are being developed for the mining; agriculture; and oil and gas sectors, which are expected to improve opportunities and sustainable development in these sectors.

5. Build policy proposals and undertake public consultations concerning development of a working forest land base on Crown land for enhanced forestry operations, accompanied by effective and streamlined approval processes for forest operations in those zones.	• Workplan completed for policy development and public consultation	Nov. 30, 2001	Dec. 31, 2001	• A more effective and thorough consultation plan to include both public and stakeholder consultations and engage all interests in development of the working forest policy is required.
	• Draft policy proposal completed	Jan. 31, 2002	Jan. 31, 2002	• Draft policy proposal in place.
	• Public discussion document released	Mar. 2002	Fall 2002	• The release date for the public discussion paper has been revised to the fall of 2002 to follow release of a results-based code discussion paper. This will provide for more effective discussion and feedback on the draft Working Forest policy proposal.
6. Establish a sustainability trust fund for B.C. to support long-term ecological-based management of forests; economic development initiatives of First Nations; and restructuring of the resource-based economy.	• Trust agreement-in-principle in place	Dec. 31, 2001	Nov. 8, 2001	• Sustainability Trust created Mar. 28,2002. • The Sustainability Trust is part of a larger coast strategy that focuses on improving the sustainable management of resources and economic diversification for the North Coast, Central Coast and Queen Charlotte Islands.
	• Strategies developed and operational for First Nations economic development initiatives and restructuring assistance	Mar. 31, 2002	First Nations economic measures are under discussion and will be submitted to TNO in July 2002	
7. Work with the MWLAP to develop a Living Rivers strategy to protect and improve watersheds in British Columbia.	• Draft implementation strategy completed for review	Nov. 30, 2001	Fall 2002	• MWLAP, as lead agency, is drafting a Living Rivers strategy with input from staff in this ministry and with a focus on rivers that support healthy ecosystems and healthy communities. • MWLAP will release a discussion paper in the fall of 2002.
	• Public review initiated	Mar. 31, 2002 (time frame to be confirmed)		

8. Develop new pricing policies and procedures, particularly for land, water and resource information, as part of the government-wide review of fees and licences.	• Approved pricing structures, including fees and licences, for land, water, resource information and other resources	Jan. 18, 2002	Mar. 26, 2002	• Ministry plan of Nov. 2001 was approved to eliminate certain fees, retain others and review those remaining. Implementing the proposed 55% cut in the number of fees and licences will reduce administration costs for both clients and government agencies.
9. Develop a provincial strategy regarding implementation of land-use for industrial rights-of-way.	• Approved strategy	Mar. 31, 2002	Not undertaken	• This project will be initiated in 2002/03.
Legislation and Regulation				
10. Reduce the regulatory burden associated with ministry statutes and regulatory regime by one-third over three years.	• Opportunities for regulatory reduction assessed and prioritized	Dec. 20, 2001	Dec. 20, 2001	• The ministry's approved initial three-year deregulation plan shows initial opportunities for a 28% reduction in the ministry's regulatory requirements (covering the first stage of a range of programs); 348 regulatory requirements were eliminated in 2001/02. • Completion of the outstanding regulatory program reviews and resulting shifts to performance-based regulatory approaches will enable the ministry to exceed the one-third regulatory reduction target.
	• Approved three-year deregulation plan	Jan. 31, 2002	Jan. 31, 2002	
	• Priority deregulation changes commenced	Feb. 2002	Feb. 2002	

The following bills were drafted and introduced in the spring 2002 legislative session:

- The new *Agricultural Land Commission Act* implements the *New Era* commitment to make the commission more regionally responsive to community needs. The act repeals and incorporates provisions of existing legislation; establishes six regional panels; prepares for elimination of the Forest Land Reserve; and streamlines the agricultural land reserve regulatory framework.
- Amendments to the *Land Surveyors Act* define the roles and titles of professional land surveyors to distinguish between services provided by professional land surveyors and those provided by technicians; establish a professional practice review program for the Corporation of Land Surveyors of B.C.; and update the organization's corporate practices. The changes will ensure high professional standards and quality public service. They will also allow the shift of many land surveying responsibilities from government to private professional land surveyors.
- Amendments to the *Water Act* transfer statutory approving authorities to LWBC. Minor streamlining amendments provide LWBC with the authority to make regulations, allow for depermitting of short-term use of water, and provide more flexible notification procedures for licence applications.
- Amendments to the *Assessment Act* allow the B.C. Assessment Authority to reduce assessment rates for linear utilities (such as pipelines, railways and telecommunications) operating on older, more expensive technology. This will permit more uniform assessment between utilities providing similar services.
- Amendments to the *Muskwa-Kechika (MK) Management Area Act* reduce government's annual expenditure commitments to the MK Trust Fund and increase the incentive for more partners to donate funds to the Trust Fund. The amendments also allow for the remuneration of the chair of the MK Advisory Board; and consolidate and streamline planning functions.
- The *Deregulation Statutes Amendment Act* repealed the *Dogwood, Rhododendron and Trillium Protection Act* and the *Universities Real Estate Development Corporation Act*.

Goal 2: Sustainable Development of Land and Resources

Resource-based economic development through timely and certain access to land and resources, based on strategic land-use and coastal planning

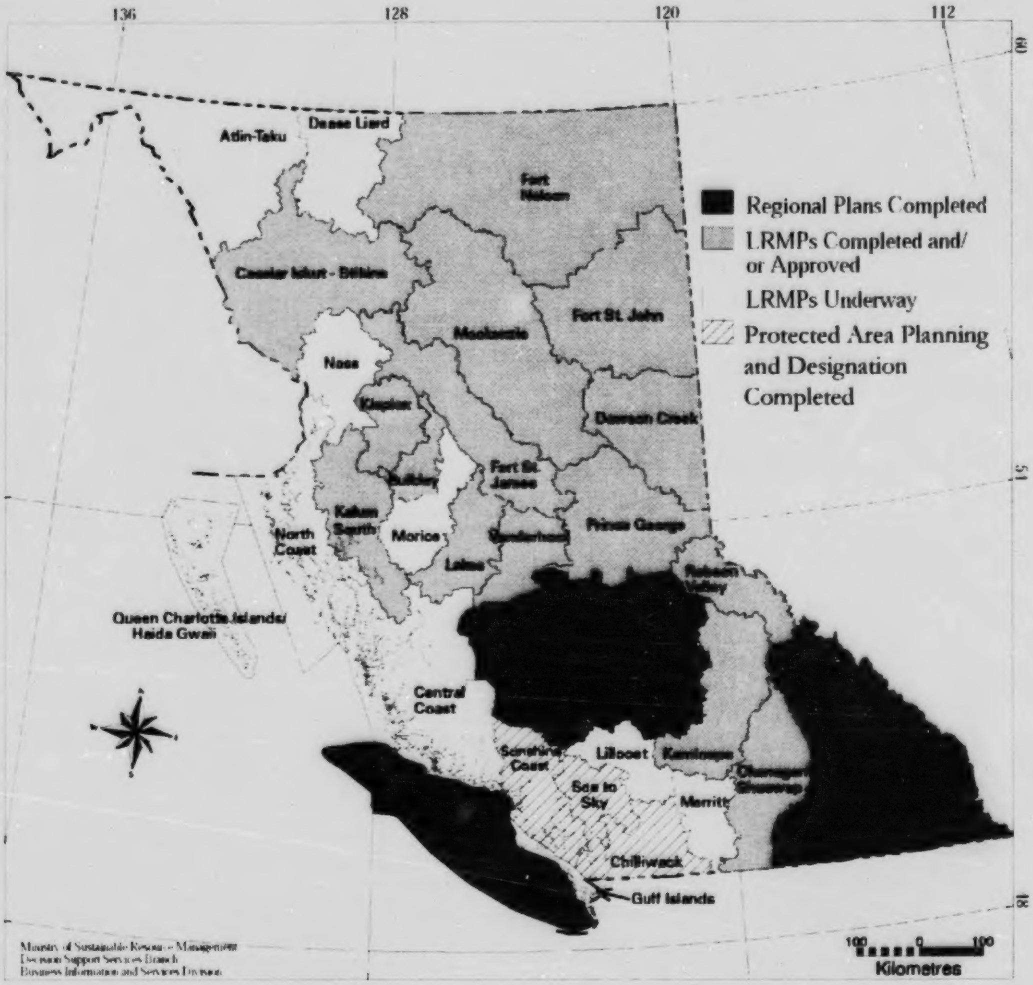
The ministry is highlighting economic development opportunities by working with other ministries to provide provincial, regional and sub-regional guidance in a variety of plans, sector strategies, policies and processes. Such planning helps ensure that resource management decisions take into account the needs of communities, the economy and the environment, now and in the future. A faster, more streamlined approach to this planning has been developed. The new process still relies on meaningful involvement of First Nations, industry and local communities, but uses a consultative model working to firm timelines rather than the previous consensual model. This will enable the province to attract investment and realize resource-based economic opportunities that will benefit all British Columbians.

Objective 1: Complete and implement a new approach to province wide land and resource planning with an emphasis on sustainable economic development

Strategic level land and resource planning has been completed for three-quarters of the province, but the more streamlined process described above is being applied to the remainder. Land-use planning is in the final stages in the Lillooet area, and is underway or being initiated in the Central Coast, Morice, North Coast, Queen Charlotte Islands, and Sea to Sky. (*See* Strategic Land-Use Plans in British Columbia map on page 20.)

Strategies	Performance Measure	Target	Actual	Explanation of Variance Results and Outcomes
1. Identify and obtain approval for a process and timetable for undertaking only those province-wide plans that will produce demonstrable economic benefits, and completing them in a manner that: • adopts a scientifically-based, principled approach to environmental management, which in turn ensures sustainability and responsibility; • reduces the costs of the planning process; and • is faster and more predictable.	• Approved process and timetable	Nov. 1, 2001	Nov. 2001	• Clear process for streamlined completion of approved LRMPs established.
	• Approved workplans for completing confirmed priority plans based on these processes and timetables	Mar. 31, 2002.	Workplans approved by Mar. 31, 2002 for all but Morice LRMP	• Workplan essentially completed for all LRMPs and workplan approval for Morice expected May 2002. All LRMPs can now proceed.
	• Lillooet plan completed	Mar. 31, 2002 (revised to June 30, 2002)	Draft Lillooet plan submitted for public comment Mar. 11	• Public review period extended to June 30, 2002 by Minister to allow for First Nations consultations. The resulting Lilloet plan should consequently have broad First Nations, community and stakeholder support.
	• Central Coast management plan established and workplan approved	Dec. 31, 2001	Coast Completion Table terms of reference approved; in 2001/02 the Table met in Dec. and Feb.	• Central Coast completion process on target.
	• Government review of key Southern Rocky Mountain (Kootenay) land-use decisions and Central Coast plans completed	Mar. 31, 2002	Nov. 2001, New approach announced	• Government met commitments and established a new streamlined approach to planning.
	• North Coast, Queen Charlotte Islands, Sea to Sky plans commenced	Mar. 31, 2002	North Coast Table initiated Jan. 2002; Sea to Sky plan announced Feb. 2002; preparation continues for Queen Charlotte Islands planning	• LRMPs for the North Coast and the Sea to Sky areas are officially underway. • Negotiations have been undertaken with the Haida to confirm a planning process that fits the unique circumstances of the Queen Charlotte Islands.
2. Build economic assessment tools into all land and resource planning. Particular emphasis will be placed on building new methodologies for socio-economic analysis for the mineral, oil and gas, and tourism sectors.	• Methodologies completed and approved for socio-economic analysis	Mar. 31, 2002	First phase of the methodology review completed Mar. 31 2002	• The process for building a new methodology for socio-economic analyses has been broken down into three phases: — analysis and recommended changes; — development of new methods; and — communication and implementation. • The first phase showed that the entire task will take to March 31, 2003.

Strategic Land Use Plans in British Columbia — March 2002


136
128
120
112
60
51
48
Atlin-Taku
Dease Liard
Fort Nelson
Cassiar Iskut - Stikine
Fort St. John
Mackenzie
Nass
Kispiox
Dawson Creek
Bulkley
Fort St. James
Kalum South
North Coast
Morice
Vanderhoof
Prince George
Lakes
Robson Valley
Queen Charlotte Islands/ Haida Gwaii
Central Coast
Sunshine Coast
Lillooet
Kamloops
Okanagan Shuswap
Sea to Sky
Merritt
Chilliwack
Gulf Islands
Regional Plans Completed
LRMPs Completed and/ or Approved
LRMPs Underway
Protected Area Planning and Designation Completed
100 0 100
Kilometres
Ministry of Sustainable Resource Management
Decision Support Services Branch
Business Information and Services Division

Proportion of the Province in Each Plan Status Category:

Strategic Land Use Plans Approved:	73%
*Regional Plans Completed:	21%
*LRMPs Completed and/or Approved:	52%
LRMP's Underway:	12%

Objective 2: Complete and implement a new approach to landscape planning with an emphasis on sustainable economic development

Sustainable Resource Management planning (SRM planning), as described in a recently released working paper (http://www.gov.bc.ca/srm/), consolidates and simplifies the array of strategic resource plans that used to be developed at the landscape, watershed or local level of planning. Through the use of rapid advances in technology, the ministry will also provide integrated and easy access to registry, inventory, analysis and planning information for all users. Information developed for SRM planning will expedite land, water and resource allocation decisions.

Strategies	Performance Measure	Target	Actual	Explanation of Variance Results and Outcomes
1. Identify and obtain approval for a process and timetable for undertaking only those landscape plans that will produce demonstrable economic benefits, and completing them in a manner that: • adopts a scientifically based, principled approach to environmental management, which in turn ensures sustainability and responsibility; • reduces the costs of the planning process; • is faster and more predictable; and • increases the role and financial contribution of partners benefiting from the plans.	• Approved process and timetable (through core review)	Nov. 1, 2001	Nov. 1, 2002	
	• Approved workplans for completing confirmed priority plans based on these processes and timetables	Jan. 2, 2002	Workplans in the form of regional service plans completed	
	• New boundaries established for the consolidation of landscape unit planning (between 100 and 150 plans will be prepared, rather than 1,246 separate plans)	Mar. 31, 2002	New boundaries for 31 SRMPs completed by Mar. 31, 2002	• Work on defining remaining boundaries continues. • Working paper on SRM planning has been developed and published. The paper details the goals of SRM planning, its relationship to other types of planning, what will be included with SRM plans and how the process will work. The process fulfils the requirements of the strategy to develop a process that provides economic benefit, is science-based and is faster and less expensive.
	• Continued legal establishment of landscape unit objectives	Mar. 31, 2002	Work on landscape-level objectives continues	
	• 10 consolidated landscape unit plans completed	Mar. 31, 2002	16 plans completed by Mar. 31, 2002	
2. Complete agreements with partner groups for the completion of landscape plans in 2002/03.	• Substantial negotiations undertaken with potential business partners on agreements for the completion of five plans	Mar. 31, 2002	14 partnership agreements in place by Mar. 31, 2002	• Partnerships will allow a greater number of SRM plans to be completed with fewer government resources required, while ensuring that there is a strong business case for completing the plans.

3. Develop and confirm the process for completion of pre-tenure planning for oil and gas in the Muskwa-Kechika Area.	• Approved workplan for oil and gas pre-tenure planning following consultation	Mar. 31, 2002	Apr. 10, 2002	• A draft plan was available for public discussion in Apr. 2002. Socio-economic analysis is being completed in early May 2002; and the plan is to be submitted to the minister for consideration in late May 2002.
	• Besa-Prophet pre-tenure plan completed	Mar. 31, 2002	Planning team process will be completed for a Phase I plan in May 2002	• The Besa-Prophet area has been broken into two areas to be tackled under different timetables. • An early approval of a final plan for the Phase I area will allow for oil/gas tenure posting in the Phase I area in the fall of 2002.

Objective 3: Complete and implement a new approach to coastal planning with an emphasis on sustainable economic development

A new integrated coastal planning model minimizes the need for specific sectoral studies, provides direction and efficiency for agency referral systems, applies and implements provincial coastal policy, and contributes to coastal zone sustainability and integrated coastal resource management objectives. Provincial government planning for the coastal zone focuses primarily on the "nearshore" areas and adjacent upland where the province has jurisdiction over the seabed and intertidal areas.
Plan products are intended to address tenuring and conservation/protection opportunities in these areas, rather than marine resource management, which is primarily a federal responsibility.

Strategies	Performance Measure	Target	Actual	Explanation of Variance Results and Outcomes
1. Identify and obtain approval for a process and timetable for coastal and marine planning that: • defines new aquaculture areas; • identifies areas to accommodate other economic opportunities; • recommends marine protected areas (either federal or provincial); and • is consistent with the oil and gas initiative.	• Approved process and timetable	Nov. 2001	Mar. 2002	• Development of a new coastal and marine planning process and completion of a set of priority workplans led to the completion of aquaculture opportunity studies by Feb. 15, 2002.
	• Approved workplans for completing confirmed priority plans based on these processes and timetables	Nov. 2001	Terms of reference developed for all planning projects	
	• Local planning issues resolved in Baynes Sound, Okeover Inlet, Cortes Island and Nanaimo Estuary	Mar. 31, 2002	Delayed	• Cortes and Okeover plans delayed at request of community. Draft Baynes Sound Plan completed. Agreement reached by region on Nanaimo Estuary planning.
	• Approved integrated plans for North Island Straits (NIS)	Mar. 31, 2002	Public and First Nation consultation processes ongoing	• NIS plan at public review stage; completion estimated July, 2002.

Goal 3: Effective Delivery of Integrated, Science-Based Land, Resource and Geographic Information

Timely, well-informed land and resource-use decisions by the public and private sectors, supported by improved quality of, and access to, integrated registries and resource information.

Effective and timely development of land and water resources depends on efficient provision of reliable information about the resources. As the owner and steward of Crown resources, the provincial government has a strong interest in having reliable data and scientifically-sound analyses to make the complex land, water and resource management decisions that are required to manage the resources effectively. To protect the public interest, government involvement is also necessary to ensure adequate standards are established for the production of sound data and analyses and to verify adherence to them by both the public and private sectors.

Objective 1: Integrate resource, registry and geographic information

The ministry has made considerable progress in the transition from multi-source, multi-format information delivery to single-point-of-access integrated land, registry and resource information.

Strategies	Performance Measure	Target	Actual	Explanation of Variance Results and Outcomes
1. Review existing information systems and inventory data, assess client needs, and plan integrated delivery strategies and system architectures.	• Delivery strategies, system requirements and integrated workplans for delivery completed	Mar. 31, 2002	Mar. 31, 2002	• All applications have been inventoried. • Applications proposed for retirement or consolidation have been identified and ranked and a process for doing this has been designed and agreed to. • A systems architecture for corporate information management has been created.
2. Provide simplified access for both public and private clients to existing resource inventory information.	• Completion of first-stage consolidation of resource information in a common warehouse accessible to private and public clients	Mar. 31, 2002	Mar. 31, 2002	• A review of warehouse capacity has been completed and the existing infrastructure upgraded to accommodate the additional mandate of the ministry in this area. • A review has been completed of warehouses and application servers to be consolidated.
3. Plan and commence integration of registry information and business processes for Crown land, forest, mineral and petroleum tenures.	• Single Web portal completed for registries • Plan completed for integration of provincial registries, systems, human resources and information	Oct. 1, 2001 Nov. 30, 2001	Oct. 1, 2001 Nov. 30, 2001	• A single Web portal has been created to access existing registries. • A development plan to guide next phases is complete. • A business strategy and implementation plan for registry integraton is being developed.

4. Define the required attributes of a provincial base map and roles and responsibilities between organizations for provincial base mapping.	• Approved definitions	Mar. 31, 2002	Mar. 31, 2002	• Two reports were completed and delivered: Base Map Content and Base Map Creation. • Procedures have been put in place to promote delivery of base map products to a single corporate standard. This will contribute substantially to effective use of Forest Investment Account (FIA) funds.
5. Initiate electronic filing for submission of land title documents.	• Project development commenced	Jan. 31, 2002	Completed	• Development of online "e-filing" for the submission of land title documents is underway. A business case has been completed and a development contract has been awarded.
6. Attach notices in the Land Titles Office to property titles indicating the location of known and protected archaeological sites on private property.	• Stage 1 of archaeology site record review completed.	Mar. 31, 2002	Mar. 31, 2002	• Approximately one-fifth of the sites estimated to be on private land across the province have been reviewed. • A notification process that will include an information package for property owners is being developed. • Policy options for mitigating impacts on private landowners are being analyzed.

In 2001/02, the ministry took significant steps to deliver four key corporate geographic information projects that affect several of the ministry's clients (see also comments under Objective 2: Increase public/private partnerships):

- the *Digital Road Atlas* will provide a single, definitive road network for the province, with street names and addresses, which will be used for emergency dispatch; navigation; police and ambulance; and by BC Stats;
- the *TRIM Watershed Atlas* will provide a single, definitive network of rivers, streams and water bodies for the province to facilitate the integration of data related to fish, water licences, water use and flood risk analysis;
- the Digital Image Management program will create a corporate image management structure that will provide a corporate source for online viewing and access of images (orthophotos) of B.C.; this data can be pulled into applications to assist in the analysis of resource management and land planning related issues; and
- aerial photography coverage of the Prince George Forest Region will allow for the completion of the delivery of TRIMII mapping and related products to resource managers in the region and serve as a model for the rest of the province.

Objective 2: Increase public/private partnerships

Partnerships and shared services delivery models will play a significant role in the collection, maintenance, management and access to information. The Partnerships Office in the Business and Information Services Division manages provincial interests in partnerships with other jurisdictions, industry and business. Principle progress made under this objective has included the signing by the Province and six private utility companies of an agreement founding the Integrated Cadastral Information Society and the development of a strategy and framework for partnership development to enable ministry staff to move forward on partnership agreements at various levels.

Strategies	Performance Measure	Target	Actual	Explanation of Variance Results and Outcomes
1. Lead negotiation of partnership agreements between the province, municipalities, utilities and representatives of private landowners to improve clarity and access to a base set of information about all land and associated resources in the province.	• Signed agreement with Integrated Cadastral Information Society	Oct. 30, 2001	Oct. 30, 2001	• Agreement signed by all founding members of the society (i.e., the Province and six private utility companies). • A campaign was initiated to sign up all 28 regional districts and 150 municipalities over the next three years.
2. Develop overall strategy for partnership development, develop candidate list, set priorities and initiate partnership pilots with industry.	• Completed strategy, priorized list of potential partnerships and workplan for negotiations	Mar. 31, 2002	Mar. 31, 2002	• A partnership strategy and enabling policies and procedures have been approved by SRM Executive. • Negotiations are proceeding with the forest sector to complete agreements, albeit at a slower pace than expected because of the softwood lumber dispute.
	• Umbrella agreement for forestry sector partnerships	Mar. 31, 2002	In progress	
	• At least one partnership pilot with industry initiated	Mar. 31, 2002	In progress	

In order to deliver integrated land and resource information to clients in an effective and efficient manner, the ministry is also leading the negotiation of partnership agreements between the province, municipalities, utilities and representatives of private landowners in relation to mapping and surveying services. In 2001/02, the ministry successfully took the lead in a partnership among the provinces, territories and federal departments to deliver a Canada-wide Global Positioning System-based, real-time position correction service. B.C. is a national leader in this technology integration, leveraging from its development of the Global Surveyor Service. This will be an important service in standardizing the quality of position information for any type of survey or resource inventory work.

Goal 4: Streamlined Land and Water Management

Fair, efficient and timely allocation of land and water resources.

Land and water are important resources to virtually all business sectors — from farming to manufacturing — as well as to private residents. The ministry sets strategic policies for the use and sale of public (Crown) land and the fair, efficient and timely allocation and pricing of water rights to support economic development and healthy communities. The ministry is also involved in regulating the engineering capacity and pricing of private water utilities, but this role is being reviewed with regional and local governments[1]. The allocation and management of Crown land and water is undertaken by LWBC.

Objective 1: Development of timely and sustainable decisions for water allocation and management

In recent years, a significant backlog in processing water licence applications slowed economic development in the province and reduced management effectiveness. The integration of land and water licensing functions within LWBC has allowed the process for issuing licences to be streamlined, providing greater access to Crown water resources and development opportunities[2].

Strategies	Performance Measure	Target	Actual	Explanation of Variance & Results and Outcomes
1. Complete land and water integration implementation plan.	• Approved plan	Nov. 30, 2001	Dec. 2001	• Plan approved for implementation.
2. Reach agreement on business integration model with LWBC.	• Agreement approved by government's core review	Nov. 30, 2001	Nov. 21, 2001	• Implementation began Jan. 1, 2002.
3. Complete plan to reduce the backlog in water licence applications.	• Approved plan • Reduction in backlog by fiscal year end	Dec. 31, 2001 (30% reduction)	Dec. 14, 2001 (49% reduction)	• Faster access to Crown water resources has resulted.
4. Complete transfer of water management responsibilities to LWBC.	• Land and water merger completed	Mar. 31, 2002	Mar. 31, 2002	• LWBC was formed. • Transfer of water management responsibilities completed.

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[1] This is distinct from water quality issues, which are the responsibility of the ministries of Health Services and Water, Land and Air Protection.

[2] For details, see the LWBC 2001/02 Annual Report.

Goal 5: Organizational Excellence

An organization that encourages efficiency, innovation, responsiveness, accountability and clear communications in delivering services for the public

The preceding goals will be better achieved in an organization that encourages efficiency, innovation, responsiveness, accountability, a sustainable work environment and clear communications in delivering services for the public. The ministry will ensure these and other aspects of organizational excellence through a number of initiatives. Most importantly, organizational excellence is dependant on our people and the supports put in place to maintain people systems. For this reason, human resource plans and goals, along with performance measures and reporting, are an integral part of our service plans, since it is our people who are key to delivering our services. These service plans in turn are part of an overall framework of performance management that ensures accountability, effective and efficient decision-making and clarity in communication of objectives. The ministry is implementing corporate shared services for finance, administration, information technology, and human resources with the Ministry of Water, Land and Air Protection (MWLAP), Land and Water British Columbia Inc. (LWBC), the Environmental Assessment Office (EAO), Land Reserve Commission (LRC) and Property Assessment Appeal Board (PAAB). Ministry experience with this new model will support continued success and enable the ministry to share its experiences as changes to government-wide shared services are made.

Objective 1: Build a ministry structure and performance management processes to implement sustainable resource management

Strategies	Performance Measure	Target	Actual	Explanation of Variance Results and Outcomes
1. Complete the ministry's 2002/05 service plan, incorporating core review decisions and identifying its three-year corporate performance measures and targets based on its allocated budget.	• Service plan approved by minister	Jan. 2002	Jan. 2002	• Mechanisms are being put in place to ensure that performance is measured, tracked and reported to achieve effective accountability.

The service plan, performance measures and reporting processes will allow the ministry to demonstrate accountability; effectively and efficiently manage its business; and communicate its results. This will be useful to all levels of government, to the legislature and to the public; internally between staff, branches, divisions and the executive; and externally to the ministry's partners and delivery agents.

Objective 2: Manage the business transformation within the ministry

Strategies	Performance Measure	Target	Actual	Explanation of Variance Results and Outcomes
1. Design and begin implementation of a shared service model for the provision of corporate services for the ministry, WLAP, LWBC and LRC.	• Shared-service organizational structure and service level agreements in place	Mar. 31, 2002	Jan. 11, 2002	• The reporting structure was changed and communicated. • A partnership board was formed to manage the structure for all client agencies. • Service-level agreements were drawn up for approval in Apr. 2002.
2. Develop workforce adjustment strategy.	• Approved strategy for workforce adjustment	Nov. 30, 2001	Nov. 30, 2001	• Strategy approved by Executive.
3. Develop a human resource management plan for retention and attraction of a capable workforce, incorporating: • government-supported core competencies; and • strategies for acquiring and retaining critical knowledge and valuing employees.	• Approved human resource management plan • Plan in place, consistent with Public Service Renewal Initiative co-ordinated by PSERC	Mar. 31, 2002	To be revised by June 30, 2002 (target by PSERC)	• The initiatives concerning "Leadership in the *New Era*" (launched early in 2002/03) changed the requirements from those anticipated in the 2001/02 service plan and created the need to work within an overall government framework.

Objective 3: Effective communication to stakeholders, partners, clients and staff

Strategies	Performance Measure	Target	Actual	Explanation of Variance Results and Outcomes
1. Develop and implement a ministry communications plan and issues management system.	• Approved strategy and issues management system in place	Nov. 30, 2001	Nov. 30, 2001	• Systems in place to undertake communications and issues management.
2. Develop and implement an electronic communications plan.	• 20% increase in number of ministry Internet users accessing new information products • 20% increase in number of users accessing the ministry Intranet home page as a news and information source	Mar. 31, 2002 Mar. 31, 2002	Baseline monthly figures on usage of the ministry's Internet and Intranet sites are given below	• Internal and external Web sites were established with new information describing ministry mandate and organizational structure and information migrated from nine different government agencies. • Partial year results indicate that electronic communications is being used as a source of information for both staff and the public.

Usage of the ministry's Internet and Intranet sites which will serve as a baseline for future performance measurement:

- Internet: More than 161,000 individual users have come to the ministry's Internet sites each month since the launch in July 2001. These users on average visit the ministry Web sites four times per month, viewing over 3.3 million pages of information per month.
- Intranet: Monthly usage averaged 2,064 individuals. Usage peaked in January, at just under 2,600 users, with demand attributed to workforce adjustment and ministry organizational information. The number of pages of information viewed averaged 23,884 per month. Again, January was the peak, with just over 36,000 pages requested.

Report on Resources

2001/02 Resource Summary[3]

Goals	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Sound governance	3,543	(428)	3,115	2,817	298
Sustainable development of land and resources (including the Central Coast LRMP)	31,016	4,306	35,322	31,956	3,366
Effective delivery of integrated, science-based land resource and geographic information	77,263	(1,977)	75,286	73,752	1,534
Streamlined land and water management (including Pacific Marine Heritage Legacy Agreement)	18,288	(1,498)	16,790	17,915	(1,125)
Land Reserve Commission	3,357		3,357	3,287	69
Total	**133,467**	**403**	**133,870**	**129,727**	**4,142**
Staff Full-time Equivalents (FTEs)					
Total	**1,519**		**1,519**	**1,282**	**237**
Ministry Capital (Expenditures) ($000)					
Information Systems	6,990	500	7,490	7,490	0
Other	27,255	282	27,537	27,537	0
Total	**34,245**	**782**	**35,027**	**35,027**	**0**
Other Financing Transactions (Net Disbursements) ($000)					
Streamlined Land and Water Management	1,000	0	1,000	23	977
Total	**1,000**	**0**	**1,000**	**23**	**977**

[3] The estimates from the 2001/02 Service Plan have been re-allocated between goals to more closely match the format of this table in the 2002-05 Service Plan. However, it has not been possible to make a specific allocation to Goal 5, Organizational Excellence as in the 2002-05 plan.

In addition, $15.586 million shown in the 2001/02 service plan as "excluded" has been re-inserted into sub-votes: $9 million into Sustainable Land Use; $6 million into Sustainable Land and Water Management; and $0.586 million into Corporate Support.

The ministry under-expended by three per cent overall as compared to the final budget for 2001/02. This was mainly a result of under-expenditure in the Sustainable Development of Land and Resources goal (+ 10%). In contrast, there was over-expenditure in the Streamlined Land and Water Management goal (- 6%). The primary factor contributing to this was the transfer of resources to the ministry from a large number of former agencies and parts of ministries, and the transfer of resources out to LWBC towards the end of the fiscal year with the transfer of water allocation delivery. Because of the complex nature of these transfers and the negotiations that ensued, the true budget picture for the ministry did not become clear until late in December. Accurate forecasting and allocation of resources to projects was difficult as a result.

The 16 per cent lower utilization of full-time equivalent staff positions (FTEs) than projected in October, resulted from uncertainty about the exact number of actual staff transferred to the ministry and unfilled vacancies resulting from the anticipated budget reductions.

Glossary of Distinct Ministry Terms and Acronyms Used

BTAA: *Budget Transparency and Accountability Act* (as amended in August 2001).

Cadastre, Cadastral: The term "cadastre" and the adjective "cadastral" refer to a register, survey or map of lands as a basis for taxation. Cadastral data or information is essentially the information that enables the accurate depiction of a legal survey on a map. Together, all of this information is called cadastral fabric. The system that manages this information for the province is the Cadastral Data Management System (CDMS).

DMCNRE: Deputy Minister's Committee on Natural Resources and the Economy.

EAO: Environmental Assessment Office.

Integrated Cadastral Information Society (ICI): A not-for-profit society at the centre of a unique partnership struck by the ministry, six utility companies and the local governments of B.C. to collectively reduce property mapping costs and create new value in an integrated property map product that combines provincial Crown land and private parcels.

LRC: Land Reserve Commission.

LWBC: Land and Water British Columbia Inc.

MSRM: Ministry of Sustainable Resource Management.

MWLAP: Ministry of Water, Land and Air Protection.

PAAB: Property Assessment Appeal Board

PARP: Property Assessment Review Panel

Partnership Management Framework: A strategy and supporting policies, procedures and reporting requirements that ensure that the ministry's pursuit of partnerships for cost recovery and cost reduction advance the public interest.

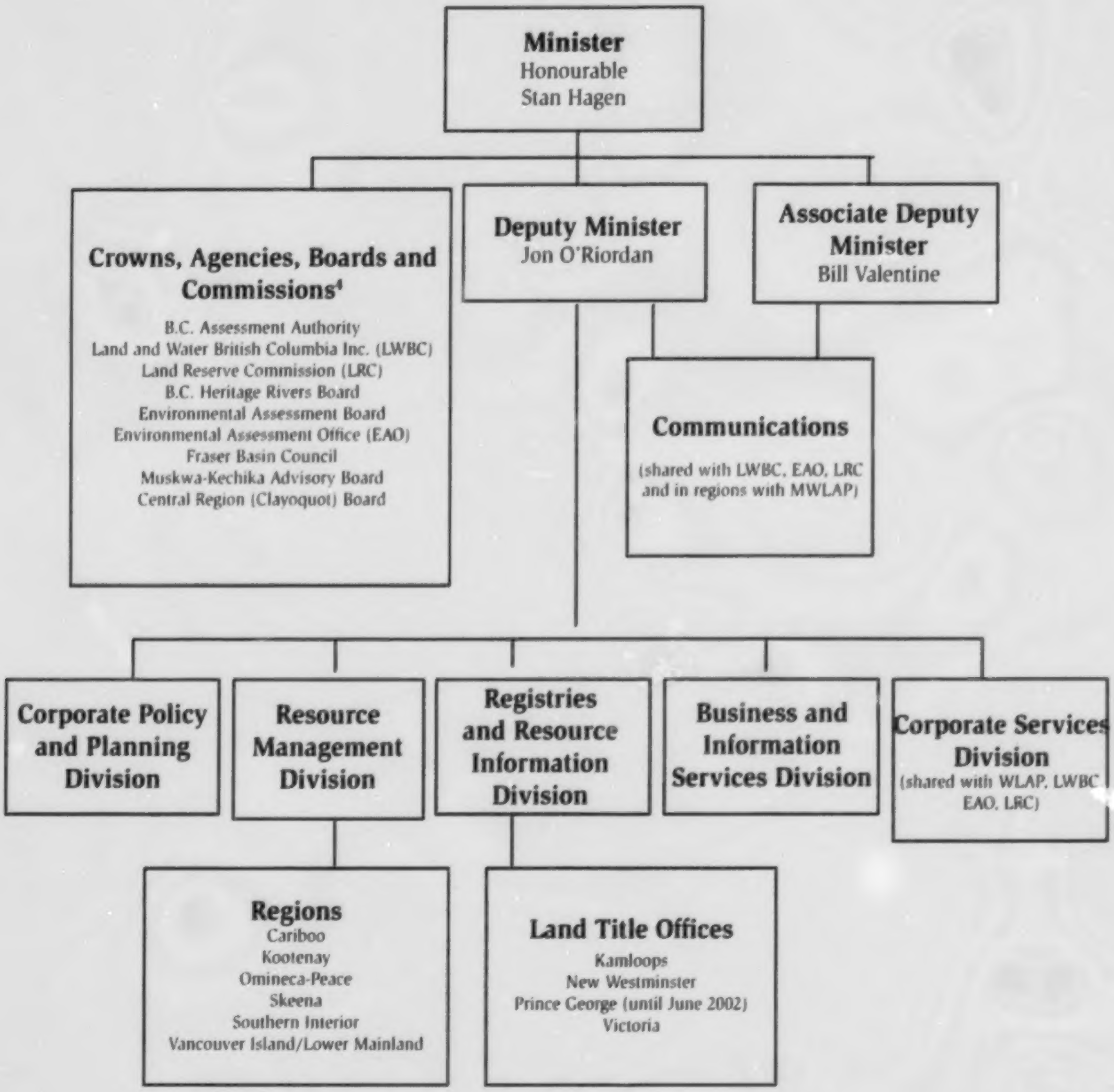
PSERC: Public Service Employee Relations Commission.

Sustainable Resource Management Planning (SRM Planning): The consolidated approach of the Ministry of Sustainable Resource Management to planning at the landscape level on provincial Crown lands. SRM planning will allow the ministry to implement land-use plans, identify economic opportunities, design efficient, sustainable development and conserve environmental values.

TNO: Treaty Negotiation Office; part of the Ministry of Attorney General.

Appendices

Appendix A: Organizational Structure — March 2002


Minister
Honourable
Stan Hagen
Crowns, Agencies, Boards and Commissions[4]
B.C. Assessment Authority
Land and Water British Columbia Inc. (LWBC)
Land Reserve Commission (LRC)
B.C. Heritage Rivers Board
Environmental Assessment Board
Environmental Assessment Office (EAO)
Fraser Basin Council
Muskwa-Kechika Advisory Board
Central Region (Clayoquot) Board
Deputy Minister
Jon O'Riordan
Associate Deputy Minister
Bill Valentine
Communications
(shared with LWBC, EAO, LRC and in regions with MWLAP)
Corporate Policy and Planning Division
Resource Management Division
Registries and Resource Information Division
Business and Information Services Division
Corporate Services Division
(shared with WLAP, LWBC EAO, LRC)
Regions
Cariboo
Kootenay
Omineca-Peace
Skeena
Southern Interior
Vancouver Island/Lower Mainland
Land Title Offices
Kamloops
New Westminster
Prince George (until June 2002)
Victoria

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[4] The Property Assessment Appeal Board (PAAB) and the Property Assessment Review Panel (PARP) were transferred to the Ministry as of April 1, 2002 and were not therefore part of the ministry during 2001/02.

Appendix B: Crowns, Agencies, Boards and Commissions

B.C. Assessment Authority
B.C. Heritage Rivers Board
Environmental Assessment Board
Environmental Assessment Office (EAO)
Fraser Basin Council
Land Reserve Commission (LRC)
Land and Water British Columbia Inc. (LWBC) – formerly B.C. Assets and Land Corporation
Muskwa-Kechika Advisory Board
Property Assessment Appeal Board
Property Assessment Review Panel

Appendix C: Legislation Administered by the Ministry

Agricultural Land Reserve Act
Assessment Act
Assessment Authority Act
Boundary Act
Commissioner on Resources and Environment Act
Environment and Land Use Act
Environmental Assessment Act
Financial Administration Act (powers and duties re: holding, administration and disposal of shares of Duke Point Development Ltd. owned by government)
Fish Protection Act (except section 12)
Forest Land Reserve Act
Forest Practices Code of British Columbia Act (sections 3 (1), (2), (3), and (4), except in relation to collection of public money, other than fines and administration of deposits and securities payable)
Greenbelt Act
Heritage Conservation Act (except sections 24–31, insofar as it relates to the portfolio of the minister)
Land Act
Land Reserve Commission Act
Land (Spouse Protection) Act
Land Survey Act
Land Surveyors Act
Land Title Act (sections 219 (3) (c), (11) (b) and (13); section 219, except subsections (3) (c), 11(b) and (13), insofar as it relates to the portfolio of the minister; remainder of the act, except section 82)
Land Title Inquiry Act
Land Transfer Form Act
Libby Dam Reservoir Act
Ministry of Environment Act (sections 4 (2) (d))
Ministry of Lands, Parks and Housing Act (sections 2 (3), 3 (3), 5 (a) and (d), 6, 7, 8 and 9)
Motor Vehicle (All Terrain) Act
Muskwa-Kechika Management Area Act
Railway Act (section 33)
Soil Conservation Act
University Endowment Land Act (sections 2 (1) (a) and (d) and 3 (b))
Water Act
Water Utility Act

Appendix D: Contact Information

Enquiry BC

Victoria	250 387-6121
Vancouver	604 660-2421
Other areas	1 800 663-7867

Victoria

Ministry of Sustainable Resource Management
PO Box 9362, Stn Prov Govt
Victoria BC V8W 9M2

Location: 780 Blanshard Street, Victoria, B.C.
Phone: 250 387-1760
Fax: 250 387-1661

Regions

Vancouver Island/Lower Mainland Region

2080A Labieux Road, Nanaimo BC V9T 6J9
Phone: 250 751-3100
Fax: 250 751-3245

Cariboo Region

400 – 640 Borland Avenue, Williams Lake BC V2G 4T1
Phone: 250 398-4530
Fax: 250 398-4214

Kootenay Region

401 – 333 Victoria Street, Nelson BC V1L 4K3
Phone: 250 354-6346
Fax: 250 365-6332

Omineca-Peace Region

3 – 1011 Fourth Avenue, Prince George BC V2L 3H9
Phone: 250 565-6439
Fax: 250 565-6629

Skeena Region

Bag 5000, Smithers, B.C. V0J 2N0
Locations: 3726 Alfred Avenue, Smithers BC V0J 2N0
Phone: 250 847-7546
Fax: 250 847-7536

South Interior Region

1259 Dalhousie Drive, Kamloops BC V2C 5Z5
Phone: 250 371-6262
Fax: 250 828-4000

Land Reserve Commission

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

Land Reserve Commission

National Library of Canada Cataloguing in Publication Data
British Columbia. Land Reserve Commission.
Annual Report. — 2001/2002

Annual.
ISSN 1499-8025 = Annual Report - British Columbia.
Land Reserve Commission

1. British Columbia. Land Reserve Commission - Periodicals. 2. Agricultural conservation - Government policy - British Columbia - Periodicals. 3. Land use, Rural - Government policy - British Columbia - Periodicals. 4. Agriculture and state - British Columbia - Periodicals. I. Title. II. Title: Land Reserve Commission Annual Report.

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For more information on the British Columbia Land Reserve Commission, contact:

Kirk Miller, Chair and CEO
LAND RESERVE COMMISSION
133 - 4940 CANADA WAY
BURNABY, BC
V5G 4K6

or visit the LRC's Web site at
www.lrc.gov.bc.ca

or visit the B.C. Government's Web site at
www.gov.bc.ca

Published by the Land Reserve Commission
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

I respectfully submit herewith the annual report and financial statement for the Land Reserve Commission for the period April 1, 2001 through March 31, 2002.

KMiller

Kirk Miller, Chair
Land Reserve Commission

May 31, 2002

Minister Accountability Statement

I have the honour to present herewith the annual report and financial statement for the Land Reserve Commission for the period April 1, 2001 through to March 31, 2002.

Stan Hagen

Stanley B. Hagen
Minister

May 31, 2002

BRITISH
COLUMBIA

Land Reserve Commission

The past year was one of significant change for the Commission, with major strategic shifts and organizational restructuring to improve the way we preserve agricultural land. These changes are described in the "Update on *New Era* Commitments" section of this report, which also details the Commission's 2002/03 to 2004/05 Service Plan.

Among the most important changes was a decision by the Provincial government, based on Core Review, to replace the Forest Land Reserve system with a new delivery model. The transition to this new model is expected to be completed by the Spring of 2003.

While the Commission is changing the way it does business, the opportunities and challenges facing BC's agriculture industry are changing, too. For example, markets for BC products could expand as farmland becomes more scarce in competing jurisdictions with no farmland preservation programs. Even more importantly, demand for BC products will continue to grow because of their excellent reputation for high quality, safety, nutrition and affordability. BC producers are also expanding successfully to meet growing demands for organically-grown, local and other unique products, both here and around the world. Such trends may change the utilization of agricultural land (and thus the way we manage the ALR) through, for example, more intensive use of smaller agricultural lots.

Significant challenges remain. Even though BC producers will benefit from growing demand, new markets and better products, prices will continue to fluctuate. This may result in pressures on the Commission to allow subdivision of ALR land, to allow non-farm uses or even to remove land from the ALR. Population growth in the Fraser Valley, in the Okanagan Valley and on Vancouver Island creates development pressures on scarce farmland, competition for water and other demands on resources needed for farming. Mounting concerns about environmental issues will highlight the need for sustainable farming practices. The First Nation treaty settlement process may involve large areas of land in the ALR.

With significant public support for farmland preservation, the Commission is confident it will be successful in meeting the challenges and taking advantage of the opportunities that lie ahead. The strategic shifts and organizational restructuring will result in stronger partnerships with the agricultural industry, local government and our many other stakeholders.

The Commission's 28-year history has demonstrated that BC's land reserve system — adjusted and improved over time — is one of the most effective in the world in protecting the land base for agriculture. I look forward to working with our new Commissioners, our dedicated staff and the LRC's stakeholders as we continue to preserve BC's foodlands for British Columbians now and in the years to come.

Kirk Miller
Chief Executive Officer
Land Reserve Commission

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Year-at-a-Glance Highlights

Until December the Commission operated as three panels to increase regional presence and responsiveness. Each panel was responsible for two of the six regions of the province. In allocating regions to each panel efforts were made to include an urban/higher growth area and a rural/lower growth area. For example, Panel A's responsibilities included the ALR in the higher growth area of Vancouver Island and in the lower growth Kootenay region, as well as the Islands Trust. Panel B was responsible for the Lower Mainland and the North, while Panel C was responsible for the Okanagan and the Central Interior.

The LRC's Chair was a member of each panel, alternating among panels and chairing full Commission meetings.

Panel A: Vancouver Island, Kootenays and Islands Trust
Janna Bakker, Vice Chair

Regional Districts	Commission Members
Alberni-Clayoquot Capital Comox-Strathcona Cowichan Valley Nanaimo Mount Waddington Powell River East Kootenay Central Kootenay Kootenay-Boundary Areas under the Islands Trust	Janna Bakker Allan Hopwood Wayne Nowlin

Regional Activities

On Vancouver Island and in the Islands Trust areas Panel A conducted 41 site inspections. It met with 40 applicants and 5 local governments. In the Kootenays the panel conducted 31 site inspections; its members met with 20 applicants and 7 local governments. Decisions were made on 53 applications and 6 community plans for Vancouver Island and 47 applications and 3 plans for the Kootenays. The panel alternated meetings between Vancouver Island and the Kootenays, touring each area three times.

The highlights of the year included:

Vancouver Island

Meetings with the Salt Spring Agricultural Advisory Committee and the Salt Spring Trustees to resolve issues relating to a new land use bylaw for the island.

A visit to the Regional District of Mount Waddington where the panel met with regional district officials and toured areas of interest including Hyde Creek, for which a new Official Community Plan had recently been prepared.

Meetings with Comox-Strathcona Regional District to resolve issues relating to proposed industrial development in the ALR south of Campbell River.

A meeting with landowners affected by a proposed recreational trail on an old logging right-of-way in the Comox Valley.

An inspection of the Millard/Piercy Creek Watershed south of Courtenay and a meeting with the management committee to discuss issues relating to agricultural practices in riparian areas. This is an important issue in the Comox Valley.

A meeting with the Cowichan Valley Regional District to discuss a proposed recreation park involving a racetrack and other activities on land within the FLR west of Duncan.

Kootenays

A tour of the East Hill area east of Cranbrook with the city's Economic Development Officer. The area is being considered for inclusion into the city.

Several meetings with the District of Invermere to resolve issues relating to its new Official Community Plan.

Meetings with the proponent of a major resort development northeast of the Village of Radium.

A tour of the Wasa area north of Cranbrook in connection with a new land use plan.

A meeting with Kootenay-Boundary Regional District to discuss issues of mutual interest.

A meeting with Atco Lumber in Fruitvale to discuss forestry issues.

The panel was able to visit most areas during the course of the year. Powell River was the only regional district not visited. The panel was also able to increase the percentage of application sites visited and the number of meetings with applicants, both of which greatly benefited the decision-making process.

Panel B: Lower Mainland and North
Gus Horn, Vice Chair

Regional Districts	Commission Members
Fraser Valley Greater Vancouver Sunshine Coast Northern Rockies Peace River Fraser-Fort George Bulkley-Nechako Kitimat-Stikine Skeena-Queen Charlotte Central Coast	Gus Horn Christine Hunt Ajaib Mann Ruth Veiner

Regional Activities

Panel B's responsibilities included the first delegation agreement reached with local government. This agreement gave the Fraser-Fort George Regional District authority to receive and decide non-farm use and subdivision applications in the ALR within the area of any Regional District Official Community Plan. This authority applied to applications received after the signing of the agreement, provided the relevant Official Community Plan had received full endorsement by the LRC following a more thorough review than might have been the case for a plan not intended to serve as the basis for a delegation agreement.

The following were some of Panel B's activities involving this delegation agreement:

Commissioners, planning staff, Fraser-Fort George Regional District staff, electoral area representatives and members of all municipal councils and their staffs participated in a day-long Regional Growth Strategy workshop.

With respect to the Regional District of Fraser-Fort George's Willow River-Upper Fraser delegation area, the Regional Board reported that in 2001 it dealt with two ALR applications, both involving subdivision proposals that were approved by the Regional District Board.

The panel completed a new review of the proposed Chilako River-Nechako and Salmon River-Lakes Official Community Plans and offered conditional endorsement in expectation that these plans would be completed in the Summer of 2002 and become new delegation areas.

Other highlight's in Panel B's year included:

Reviewing 25 planning issues and making 17 decisions on these issues. 15 of these were in the Lower Mainland and 2 were in the North.

Making 135 decisions on ALR applications in the North and 105 decisions in the Lower Mainland including:

- #02-33819 — OSB Plant — Fort St. John — the Commission approved an application from Slocan/ Louisiana Pacific for the exclusion of 91 hectares from the ALR for the development of an oriented strand-board plant;
- #02-33657 — Ethanol Plant — Prince George — the Commission approved an application from Birchwood Plaza Ltd. for the exclusion of 49 hectares from the ALR for the development of an ethanol processing plant;

- #21-33455 — Special Waste Landfill Site — Montney — Peace River Regional District — the Commission refused an application by Encal Energy and Anadime Corporation to establish a 4-hectare special waste disposal site to handle oilfield wastes;
- #01-33641 — Inclusion — the Commission approved an application by the British Columbia Assets and Land Corporation (BCAL) to include into the ALR 11,300 hectares of Crown land in the Vanderhoof area, pursuant to a Land and Resource Management Plan;
- #01-33880 — Inclusion — the Commission approved an application by BCAL to include into the ALR 29,570 hectares of Crown land in the Fort St. James area, pursuant to a Land and Resource Management Plan.

Initiating the exclusion from the ALR of an area of land near the west end of Chilliwack Mountain following years of discussion with the City of Chilliwack. The city needed level land for general industrial development yet the land was so well-suited to agriculture that it was considered critical to province-wide agricultural land preservation. Following a suggestion included in the city's report on an adjacent industrial property, the panel initiated discussions with landowners, neighbours, the city and the Lakahahmen First Nation. Based on these discussions the panel reduced the area initially considered for exclusion. In response to a formal request from the Lakahahmen First Nation the Commission placed no restriction on the future land use of the excluded area, thus making it simpler for the city to work with First Nation land-holders to resolve land use and servicing issues.

Meeting with:

- the Councils of Pitt Meadows and New Hazelton,
- board members from the regional districts of Peace River, Bulkley-Nechako, Kitimat-Stikine and Fraser-Fort George,
- representatives from the North Peace Women's Institute,
- City of Richmond staff, who presented the nearly-completed Richmond Agricultural Viability Strategy now being used as a model by other areas across Canada, and approximately 80 applicants.

Conducting related site visits in 6 of the 10 regional districts in Panel B's area of responsibility.

Panel C: Okanagan and Central Interior
Maureen Thompson, Vice Chair

Regional Districts	Commission Members
Columbia Shuswap North Okanagan Central Okanagan Okanagan-Similkameen Cariboo Thompson-Nicola Squamish-Lillooet	Maureen Thompson James Ingram Sid Sidhu

Regional Activities

Panel C carried out 75 site inspections and met with 15 local governments and 78 applicants in the Okanagan and Central Interior in 2001/02. It made decisions on 68 applications and 1 community plan in the Interior region and 118 applications and 5 plans in the Okanagan region.

The panel made four tours to the Okanagan and three to the Interior.

The highlights of the year included:

Penticton's OCP review which resulted in the commitment by Council to develop an Agriculture Plan.

Meeting with David Geen, a successful cherry grower in Kelowna, to discuss his concerns with the City of Kelowna's road widening plans.

Having discussions with local governments about delegating decision-making authority for subdivision and non-farm uses. The City of Merritt and the Cariboo Regional District indicated their interest in exploring delegation further.

Meeting with representatives of the BC Cattlemen's Association to discuss ranch restructuring, development rights, streamside regulations and other key issues.

Meeting with the Villages of Cache Creek and Ashcroft, the City of Merritt and the Regional District of Columbia-Shuswap. These were the panel's first meetings with these bodies since the Commission's panel format was established in April 2000.

Meeting with the Kelowna Agricultural Advisory Committee to discuss agricultural land use issues in Kelowna and the LRC's consistency with the committee's recommendations.

Meeting with applicants on-site to discuss new applications and re-consider older applications. Not every meeting resulted in a decision favourable to the applicant, but landowners expressed satisfaction that the Commission had visited their properties and heard their concerns.

The only areas not visited by the panel were the eastern and southern portions of Columbia Shuswap Regional District, and the Chilcotin.

The new panel system allowed the Commission to spend most of its meeting time in the regions with landowners and local governments, adjudicating applications and discussing land use issues with landowners, elected representatives, local government staff and farmers.

Commission Role and Services

The Land Reserve Commission is an independent Provincial agency dedicated to protecting the agricultural and forest land base to meet the current and future needs of British Columbians. The LRC's legislation regulates land use in the Agricultural Land Reserve and the Forest Land Reserve. The Commission works with various communities of interest to accommodate and support working farms and working forests on Reserve lands.

Changing Roles and Responsibilities

The ALR was established in 1973-74 based on a comprehensive review of agricultural capability and existing land use after an extensive consultation process. Since then the Commission has provided advice on land use planning to local communities, adjudicated applications for the use of land in the Agricultural Land Reserve and encouraged farming to provide a basis for a sustainable economy and a secure source of food. The ALR now comprises 4,724,204 hectares or more than 5% of the land mass of the province.

The Forest Land Commission was established in 1994 to minimize the impact of urban development and rural settlement on BC's commercial forest land base. It administers 920,000 hectares of private managed forest lands and 15 million hectares of public land designated as Forest Land Reserve. The Forest Land Commission adjudicates applications for the use of private managed forest lands and reviews proposals to add or remove private land from the FLR. Since June 1994 the Commission has considered 475 applications from landowners and others wishing to remove land from the FLR, subdivide land within the FLR, use forest lands for non-forest purposes or include land within the FLR. The Commission also advised the Minister of Forests on proposals to remove Crown land from the FLR, and administered the private forest practices regulation.

In April 2000 the Agricultural Land Commission and Forest Land Commission were merged into one Land Reserve Commission. The *Land Reserve Commission Act* granted the LRC broad discretionary powers over lands to be included into the ALR and excluded from the ALR and FLR, and determining what forest practices were appropriate on private lands within the FLR and private managed forest lands within the ALR. Last year the Commission made decisions on 526 applications and 34 land use documents pertaining to the ALR and 48 pertaining to the FLR.

The Commission was given broad powers to ensure that local plans were not in conflict with the *Agricultural Land Reserve Act* and the *Forest Land Reserve Act*. The Commission was also empowered under legislation to investigate, hold hearings, levy fines and seek court orders to ensure compliance with its orders.

Ongoing Roles and Responsibilities

The Commission administers the *Agricultural Land Reserve Act*. The statute sets out processes for land use approvals including the inclusion or removal of land from the ALR, non-farm uses and subdivisions. The *Act* is supported by the Agricultural Land Reserve Procedure Regulation, which details procedures for applications, and the Agricultural Land Reserve Subdivision and Land Use Regulation, which defines permitted land uses and subdivisions of land within the ALR.

The *Soil Conservation Act* enables the Commission and local governments to regulate the placement of fill and removal of soil within the ALR. Permits are issued by the local authority under the *SCA*, subject to the approval of the Commission.

Legislation, regulations and some operations of the Commission will be changed during the period covered by the 2002/03 - 2004/05 Service Plan to reflect the evolving core business of the Commission, and to reflect the outcome of initiatives such as de-regulation, the Administrative Justice Project and the Community Charter.

In addition to deciding on land use applications the *ALRA* empowers the Commission to review plans and bylaws of local governments and other agencies to ensure the ALR is properly identified and local policies are supportive of the ALR and farmland preservation. The *ALRA* also provides for the delegation of authority to decide non-farm use and subdivision applications to local governments or to the Chief Executive Officer of the Commission.

Since 1974 the Commission has considered approximately 34,270 applications from landowners and others wishing to remove land from the ALR, subdivide land within the ALR, use agricultural lands for non-farm purposes or include land within the ALR. Over the years applications have increased in complexity; the range of people interested in each outcome has also grown. With increased concern over environmental issues there is far more public awareness and opinion with respect to each application.

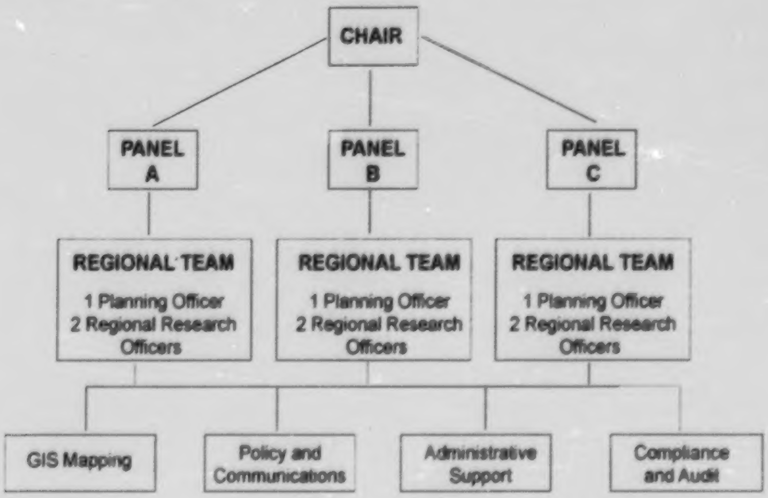
The Commission continues to refine ALR boundaries to reflect new information on the suitability of land for agriculture; to improve communications with local governments, farm organizations, landowners and the public; and to assist local governments to improve consistency with provincial agricultural objectives in their plans and bylaws.

During the fiscal year the Commission held monthly panel meetings, which will be continued in modified form in the next fiscal year. Each panel will continue to be empowered to act as the Commission and decide on applications, hold meetings with landowners and review bylaws and community plans.

Operating Segments

For greater operational responsiveness and flexibility the Commission created three panels. Table 1 shows the functional operations of the Commission.

Table 1 — Land Reserve Commission Function


CHAIR
PANEL A
PANEL B
PANEL C
REGIONAL TEAM
1 Planning Officer
2 Regional Research Officers
REGIONAL TEAM
1 Planning Officer
2 Regional Research Officers
REGIONAL TEAM
1 Planning Officer
2 Regional Research Officers
GIS Mapping
Policy and Communications
Administrative Support
Compliance and Audit

The core business of the Commission is carried out through three function areas:

Strategic Planning & Corporate Policy

This encompasses the Commission's policy development role, participation in the planning and policy initiatives of other organizations (including local government plans and bylaws) and communications;

Regional Operations

This is focused primarily on the review of applications under the *Agricultural Land Reserve Act* and the *Soil Conservation Act*, compliance and enforcement; and

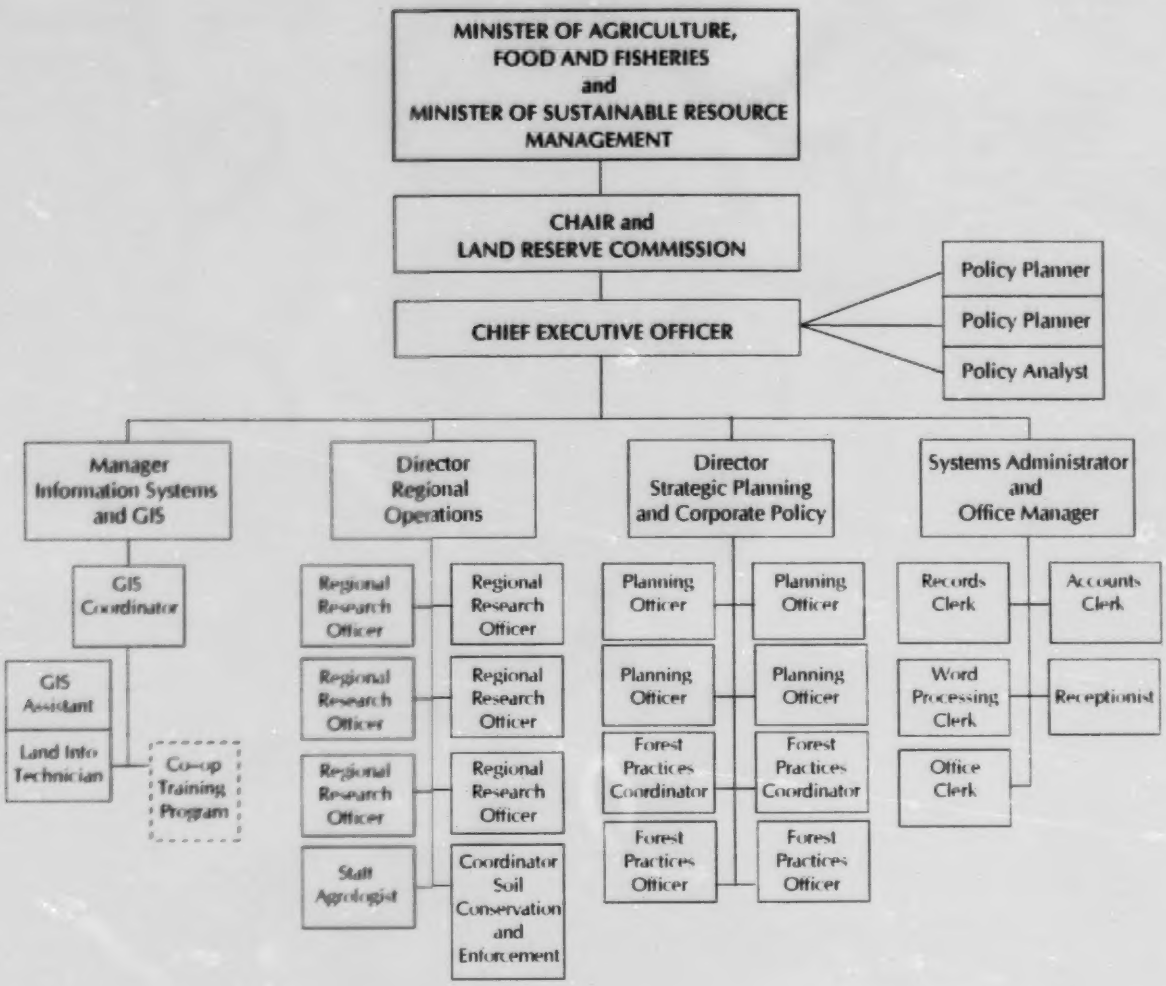
Administration & Information Systems (GIS)

This includes secretarial and administrative support as well as record management. The Commission maintains an application database used for record management and is legally obligated to maintain mapping of the ALR.

Table 2 shows the organization and staff duties for the Land Reserve Commission office.

Table 2

**LAND RESERVE COMMISSION ORGANIZATION
2001/2002**


MINISTER OF AGRICULTURE, FOOD AND FISHERIES and MINISTER OF SUSTAINABLE RESOURCE MANAGEMENT
CHAIR and LAND RESERVE COMMISSION
CHIEF EXECUTIVE OFFICER
Policy Planner
Policy Planner
Policy Analyst
Manager Information Systems and GIS
GIS Coordinator
GIS Assistant
Land Info Technician
Co-op Training Program
Director Regional Operations
Regional Research Officer
Regional Research Officer
Regional Research Officer
Regional Research Officer
Regional Research Officer
Regional Research Officer
Staff Agrologist
Coordinator Soil Conservation and Enforcement
Director Strategic Planning and Corporate Policy
Planning Officer
Planning Officer
Planning Officer
Planning Officer
Forest Practices Coordinator
Forest Practices Coordinator
Forest Practices Officer
Forest Practices Officer
Systems Administrator and Office Manager
Records Clerk
Accounts Clerk
Word Processing Clerk
Receptionist
Office Clerk

The Chair of the Commission reports directly to the Minister of Sustainable Resource Management. However, on a day-to-day basis Commission staff works closely with the Ministry of Agriculture, Food and Fisheries on geographically organized agri-teams, which are designed to co-ordinate and complement the efforts of the two organizations.

Update on *New Era* Commitments

During the fiscal year the Provincial government conducted a comprehensive review of its ministries, agencies, boards and commissions to identify and confirm government's core roles and responsibilities and to determine ways of improving the delivery of services to the citizens of British Columbia.

Core Review

The Core Review of the Land Reserve Commission determined that the Agricultural Land Reserve serves a compelling public interest by protecting the land base and preserving the limited supply of agricultural land that can provide a secure and healthy food supply for current and future generations.

In order to make the LRC more effective in achieving its mandate, while making it more responsive to regional needs, during 2001/02 Cabinet announced several new directions for the ALR and the Commission:

- Regional panels of the LRC will be created with Commissioners appointed from, and representing, regions;
- Authority for subdivision/non-farm uses within the ALR will be delegated to local governments and agencies on a voluntary basis, consistent with an approved land use plan;
- The Commission will continue to be the decision-maker for ALR applications where delegation agreements are not in place;
- In all areas the LRC will retain authority over ALR boundaries and in delegated areas it will monitor local government decisions;
- There will be a results-based approach to reviewing local government plans for land in the ALR; and
- Applications to the LRC will be streamlined and additional compatible uses will be allowed in the ALR.

New Commissioners were necessary to implement these important changes. So in December the 11 former members of the LRC were replaced with an interim Commission consisting of 5 senior civil servants. The interim Commissioners began making the changes outlined above and conducted the day-to-day business of the LRC.

Eighteen new Commissioners and a new Chair will be appointed early in 2002/03. They will be assigned to 6 regional panels with three Commissioners on each. All Commissioners will be appointed from within their respective regions to ensure regional representation as well as to provide a wide range of experience, background and views.

Core Review also determined that land use regulation of private Managed Forests and non-managed forest land by the Commission was not an effective means of addressing the public interest. As a result the Forest Land Reserve will be phased out over the next year. At the same time the Provincial Working Forest Initiative, led by the Ministry of Sustainable Resource Management, will develop a science-based, principled approach to the management of BC's forest land base.

The core review determined that results-based regulation of forest practices on private lands serves a compelling public interest. To improve the effectiveness of this approach, administration of the Private Land Forest Practices Regulation will be transferred to another agency, industry or a public/private partnership over the next year.

In the interim FLR applications will be considered on their own merits, keeping in mind that the FLR land use system will be phased out. The Commission will continue to manage the Private Land Forest Practices Regulation until it is transferred to another model.

Service Plan

The Land Reserve Commission 2002/03 – 2004/05 Service Plan sets out a three-year plan for achieving Commission goals and specific objectives and for monitoring progress. It envisions an agricultural land reserve system that:

- Protects the land base needed to provide a safe and secure source of food;
- Expands economic opportunities;
- Promotes healthy communities; and
- Enhances economic, social and environmental sustainability.
- The Commission is committed to applying the following principles in achieving its goals and objectives:
- Partnership, collaboration and consultation;
- Science and knowledge;
- A comprehensive and integrated approach;
- Accountability, fairness and transparency; and
- Responsiveness.

The following describes the Goals, Objectives, Strategies & Performance Measures in the Commission's current Service Plan:

Goal 1: Ensure that the Commission is responsive, efficient and accountable.

Objectives

To increase the regional responsiveness of the Commission to community needs.
To encourage collaborative governance of the ALR.
To respond to applications in a timely manner.
To ensure that Commission decisions are made in a transparent, fair and equitable manner.
To improve the efficiency of the ALR program.
To ensure that the Commission is accountable for results.

Strategies:

Re-organize the Commission with 6 panels based on regions.

Develop action plans specific to regions with Provincial, local government and stakeholder input.

Work with local governments to address community needs through community planning processes.

Reduce the number of applications through voluntary delegation of non-farm and subdivision applications to local governments and other agencies and by expanding the range of permitted non-farm uses.

Develop appropriate dispute resolution mechanisms for resolving conflicts and balancing interests.

Participate in the Community Charter initiative.

Move to modified results-based processes for planning, soil deposition/removal and other activities.

Reduce regulations by streamlining the *Agricultural Land Reserve Act* and regulations and by eliminating the *Soil Conservation Act* by incorporating key provisions into *ALRA* regulations.

Set standards for application response times and monitor results using the Application Tracking System.

Revise the Commission Governance Policy to reflect the outcomes of the Administrative Justice Project.

Consult on the feasibility of increased cost recovery through a recapture charge for lands removed from the ALR.

Monitor the impact of Commission and delegated decisions on the Provincial interest in agricultural land and report results publicly.

Transfer the regulation of land use and forest practices on private land within the FLR to another agency, the industry, a public-private partnership or other model.

Performance Measures and Targets:

- Improve Commission responsiveness to the needs of local governments and stakeholders.
- Have 60% of non-farm and subdivision applications under the *Agricultural Land Reserve Act* decided by local governments and other agencies by the end of fiscal year 2004/05.
- Reduce current application load by 20% by broadening permitted uses and other regulatory reductions by the end of fiscal year 2004/05.
- Decide 80% of applications within 60 days of receipt by the Commission.

Goal 2: Protect the agricultural land base.

Objectives

Ensure that lands suitable for agriculture are retained within the ALR.

Ensure that non-farm land use and subdivision within the ALR do not significantly impact the suitability of lands for agriculture or existing agricultural operations.

Work with local governments, First Nations and other agencies to ensure the ALR is appropriately reflected in their land use plans, policies and agreements.

Strategies:

Review and decide applications for inclusion, exclusion, non-farm use and subdivision under the *Agricultural Land Reserve Act* using the best available information, including site visits and meetings with applicants where possible.

Reduce the amount of suitable agricultural land excluded from the ALR or alienated by incompatible development.

Review the agricultural suitability of lands within the ALR in response to improved information, planning reviews and land use trends.

Improve agriculture and the suitability of lands for agriculture by negotiating, where appropriate, compensating benefits for agriculture if lands are removed from the ALR, converted to a non-farm use or subdivided.

Monitor the impact on agriculture and the suitability of lands for agriculture of Commission decisions, policies and uses permitted under the Act and regulations.

Establish guidelines for Official Community Plans that address the Provincial interest in agricultural land preservation and criteria for auditing plans, as part of a modified results-based approach to planning for the ALR and as a basis for delegation.

Participate in treaty settlement negotiations that involve the selection by First Nations of lands designated ALR.

Performance Measures and Targets:

- Decide 80% of applications after a site visit.
- Compensate all exclusions of suitable agricultural land by a net benefit to agriculture or by satisfying a community need established through planning.
- Minimize the amount of land removed from the ALR for any reasons other than poor suitability or community need established through planning.
- Ensure that 80% of official community plans audited are consistent with the Provincial guidelines for agricultural land preservation.

Goal 3: Enhance the sustainable use of the agricultural land base.

Objectives

Work with local governments, First Nations and other agencies to ensure their plans, policies and activities permit and enhance the use of the ALR for agriculture.

Provide for farm and rural diversification, value-added activities and complementary non-farm uses within the ALR to support working farms and to stabilize local economies.

Strategies:

Consult with local governments, First Nations and other agencies and/or develop guidelines to ensure that their plans, policies and activities permit and encourage farm uses within the ALR and that non-farm development does not negatively impact on existing agricultural operations or agricultural potential.

Pursue collaborative governance arrangements that balance agricultural land preservation with the needs and aboriginal rights of First Nations.

Identify non-farm uses and value-added activities that can be permitted in the ALR without negative impacts on agricultural businesses or the long-term suitability of lands for agriculture.

Performance Measures and Targets:

- Percentage of plans, policies and activities of others that permit and encourage farm uses within the ALR and provide for the protection of existing agricultural businesses.
- Number of agreements entered into with First Nations respecting the ALR and treaty settlement lands.
- Increase in the number of complementary non-farm uses and value-added activities.
- Impact of non-farm uses and value-added activities on the ALR.
- Reduce current application load by 20% by broadening permitted uses and other regulatory changes by the end of fiscal year 2004/05.

Performance Reporting

As a result of the significant changes in direction arising from the Core Review, this annual report will not provide extensive performance reporting of past Commission activities. The 11 former members of the LRC were replaced with an interim Commission consisting of 5 senior civil servants in December. The interim Commission conducted the day-to-day business of the LRC, and will continue to do so until 18 new Commissioners and a Chair are appointed in 2002/03. In addition the goals, objectives and actions identified in the Commission's previous Business Plan were replaced with the current 2002/03 – 2004/05 Service Plan.

This performance report provides information on the Private Land Forest Practices Regulation and a brief description of the state of the ALR.

Private Land Forest Practices Regulation

On April 1, 2000 the Land Reserve Commission undertook a new role with the administration and enforcement of the Private Land Forest Practices Regulation (B.C. Reg. 318/99). This regulation applies to identified lands in the FLR and ALR. 2001/02 was the Commission's second year of responsibility for this legislation.

Inquiries: In 2001/02 the Commission's forest practices staff responded to 40 forest practices enquiries. These were divided as follows: Kootenays/Interior 11; South Island 19; and North Island 10. The majority of these were not significant issues or were resolved though voluntary action by the owner. Three issues were deemed significant, and are discussed further below.

Education and Training: In 2001/02 Commission staff participated in 13 training sessions with public officials, landowners and their representatives. Two of these were for Forest Service and Ministry of Environment staff; they focused on forest practices and the authority and conduct of officials.

Enforcement: In 2001/02 forest practices staff completed 3 investigations on alleged contraventions of the Regulations. One additional investigation was commenced but not completed by the end of the fiscal year. Each of the completed reports was forwarded to the CEO with the recommendation that determinations be performed. Determination hearings were held by the CEO to decide administrative penalties and remediation. These resulted in penalties totalling $47,500.

As well, the CEO ordered the remediation of 1,213 metres of stream bank and an unspecified area of roads and landings.

Audits: In 2001/02 the Commission undertook its inaugural audits under the Regulation. These reviewed landowner compliance with the legislation and the effectiveness of the legislation. Two regionally-based audits were performed on Vancouver Island and in the West Kootenays. Eight managed forests under separate ownership — 4 per region — were selected. Both audits were full scope and fieldwork was completed in October and November of 2001. Reports were presented to the Commission in February, 2002 and forwarded to landowners for comment prior to publication in the next fiscal year. At the same time an audit manual was developed and the first version was completed in 2001/02.

Core Review Commitments: Government announced this year that the Commission would no longer administer forest practices on private lands after April 1, 2003. Commission staff commenced a field level review of the functionality of the regulation with the view of making recommendations to government for improvements to the legislation.

Outreach: The Commission forest practices staff attended the Private Forest Landowners' Association annual general meeting in 2001/02. They carried out 14 visits with landowners to explain the regulations, forest practice requirements and reporting issues. Staff also organized 2 proactive forest practices reviews with landowners to encourage better forest practices.

Variance: One variance application was received during 2001/02. It was in the Kootenays. This was the first time an advisory panel was used to make recommendations. The variance was classified as "moderate" and the Commission's CEO was the statutory decision-maker. The CEO used his option to strike an advisory panel to assist him in this decision. The panel recommended partial approval of the variance request. The CEO accepted the panel's recommendation. The process worked well and those involved found it a valuable exercise.

State of the ALR

There were 4,723,517.8 hectares of land in the ALR on March 31, 2002. Figure 1 shows the amount of ALR in the six regions of the province and Figure 2 shows the amount of ALR in each of the province's 27 regional districts.

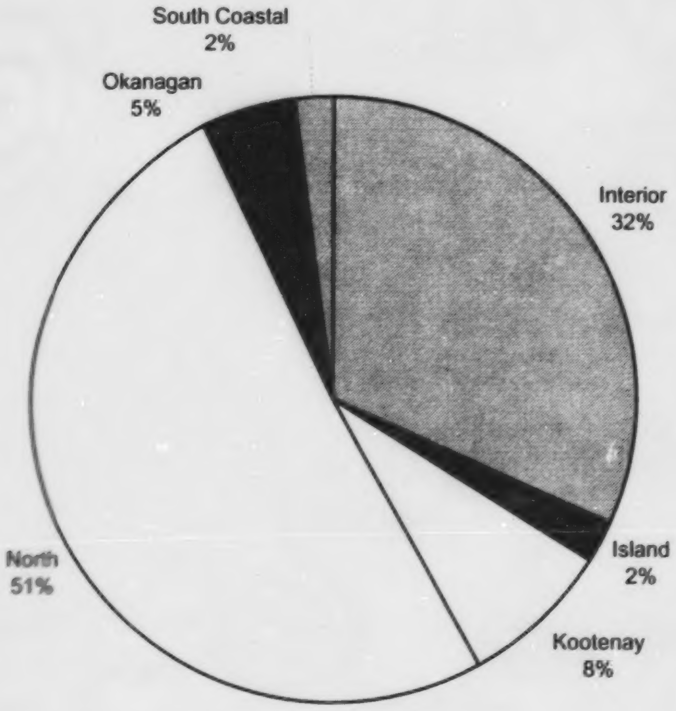


Figure 1
Amount of ALR by Region — 2001/02

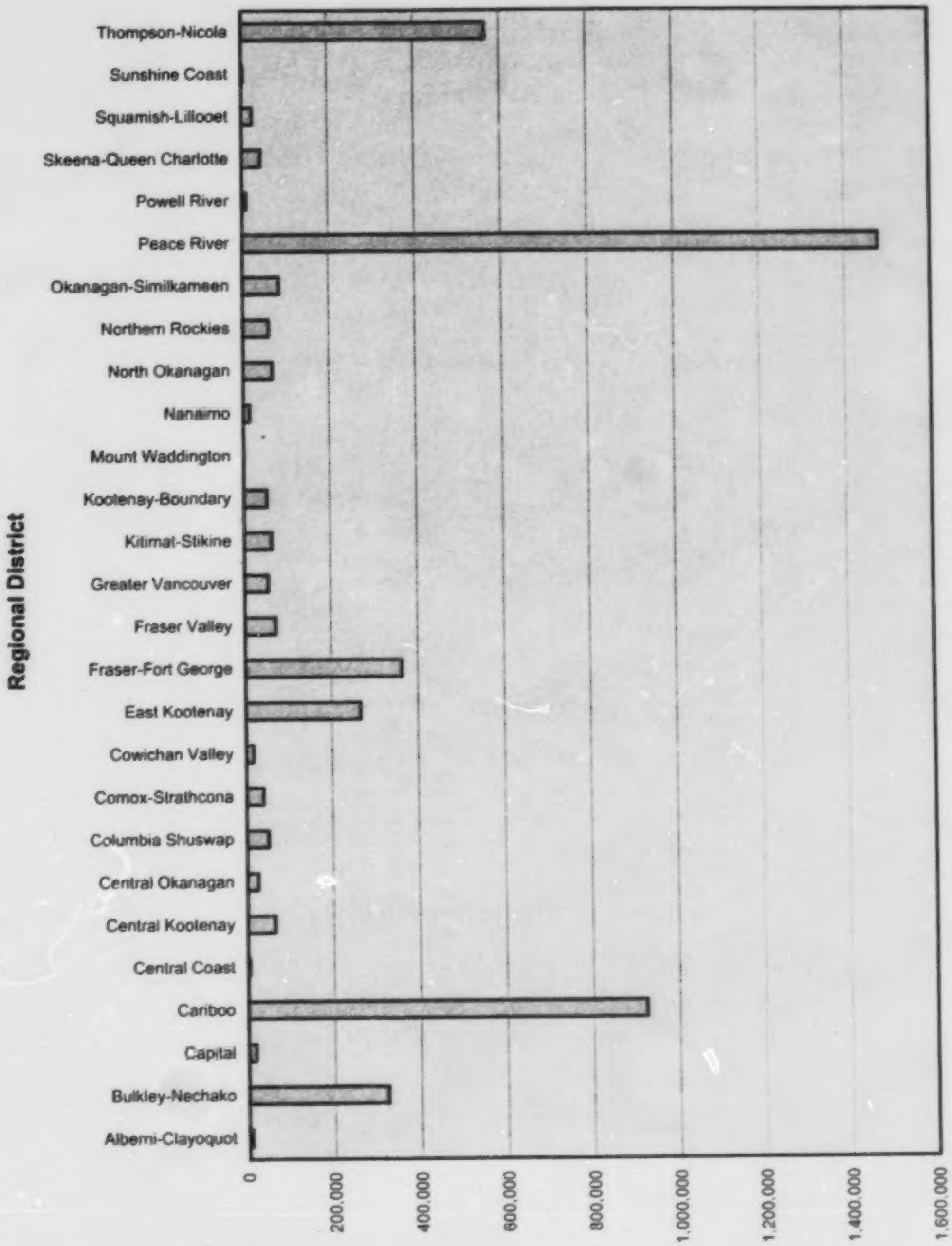
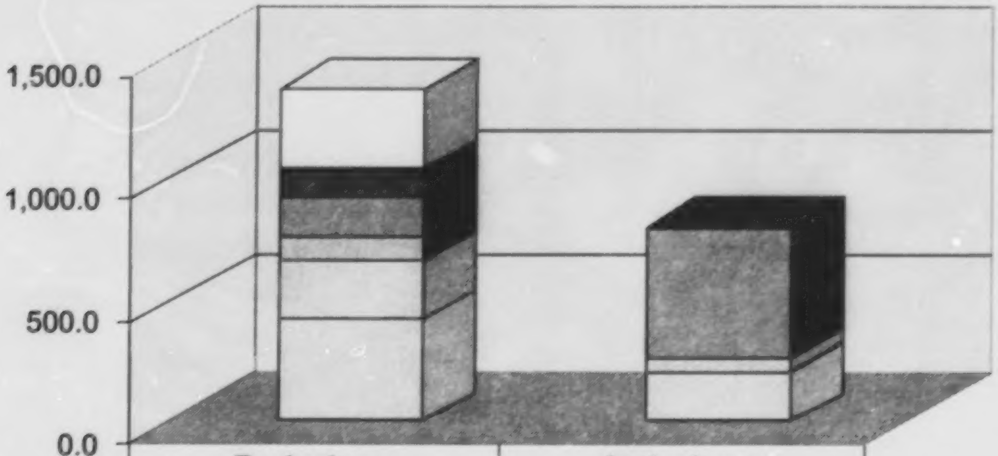


Figure 2
Amount of ALR in all Regional Districts

Regional districts with large amounts of ALR include Peace River, Cariboo, Thompson-Nicola, Fraser-George George, Bulkley-Nechako and East Kootenay. The size of the ALR changed slightly from 2000/01 with the addition of 801.3 hectares included and 1,364.3 hectares excluded. Figure 3 shows the amount of ALR land included and excluded in each region during 2001/02 and Figure 4 shows the amount of ALR land included and excluded in each regional district during the year. The largest amount of land excluded from the ALR was in the Interior and South Coastal regions, while the largest amount of land included into the ALR was in the North.



	Exclusions	Inclusions
□ South Coastal	321.5	0.0
■ Okanagan	119.5	23.1
▨ North	171.6	529.9
□ Kootenay	84.9	0.0
□ Island	238.0	43.2
□ Interior	428.8	205.1

Hectares

Figure 3
ALR Inclusions and Exclusions by Region — 2001/02

Figure 4 shows ALR inclusion and exclusion applications by regional district in 2001/02. The number of applications for exclusion from the ALR far exceeds the number of applications for inclusion.

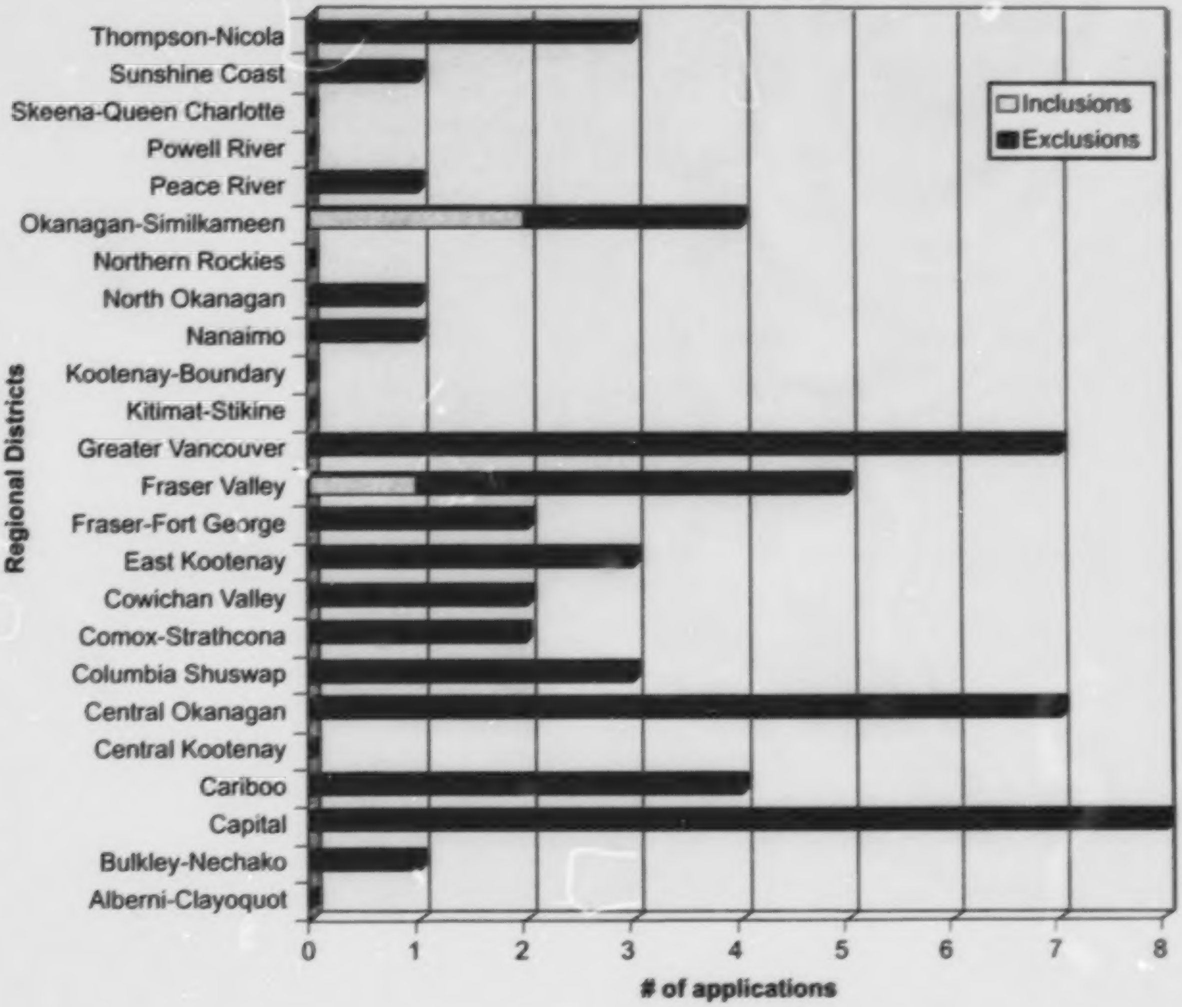


Figure 4
ALR Inclusion and Exclusion Applications by Regional District — 2001/02

There were 526 decisions made by the Commission in 2001/02. There were 450 applications received and 146 reconsiderations of previous decisions. More applications and reconsiderations were received than decisions made because some applications are received in one fiscal year but dealt with in the next.

Of the 526 decisions made in the fiscal year 15% (82 decisions) were refusals. The other 444 allowed the proposal outright, allowed it with conditions or allowed an alternate proposal with or without conditions.

Of the 101 decisions made as reconsiderations of previous decisions 75% were allowed.

In addition to applications the Commission received 55 new community plans in 2001/02 and reviewed 66 community plans, including reconsiderations. The Commission made 34 decisions on plans and of these the Commission refused to endorse only one plan while 5 were fully endorsed, 26 were endorsed with required or suggested changes and 2 were tabled.

Figure 5 compares the number of ALR applications received in each regional district in 2001/02. The largest number of applications was received from the Peace River Regional District (which has 1,477,893 hectares of ALR land) and the Greater Vancouver Regional District (with 55,674 hectares of land in the ALR). Clearly the amount of ALR does not determine the number of applications. Pressures on the ALR are linked more closely to population growth than to amount of ALR.

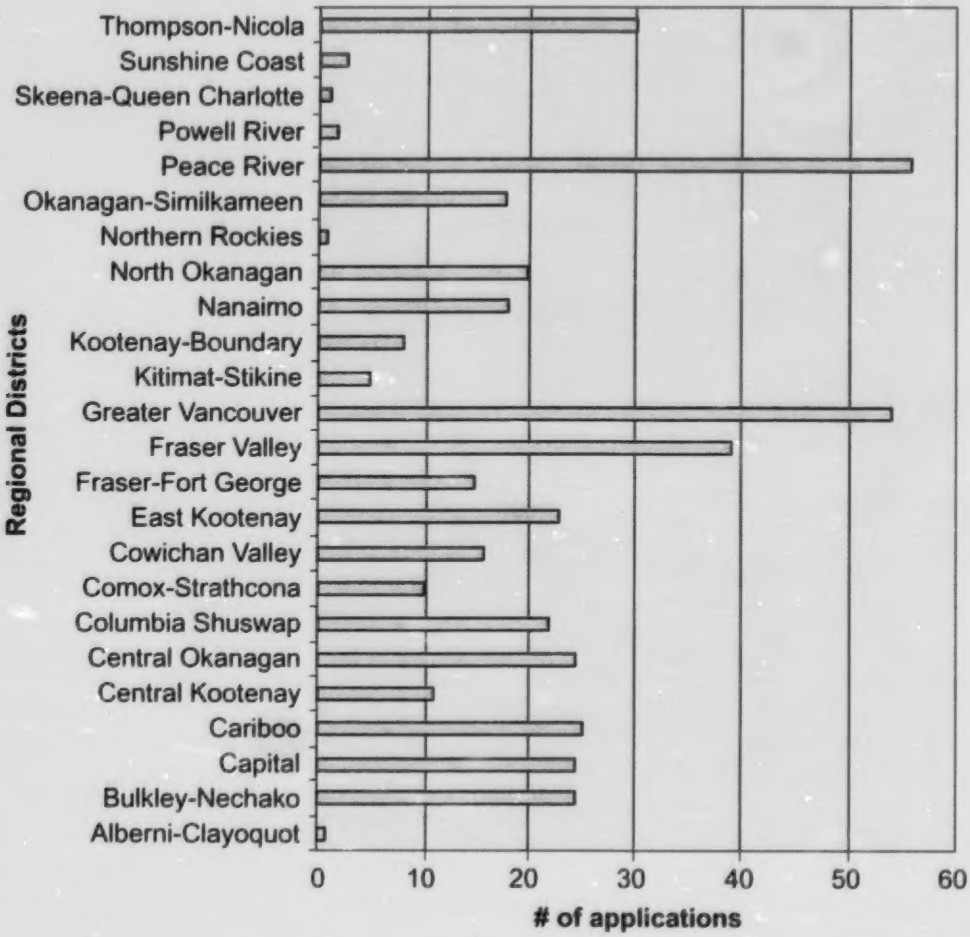


Figure 5
ALR Applications Received by Regional District — 2001/02

Figure 6 compares the number of applications approved and refused in the six regions. The largest number of applications approved were in the North, the Okanagan and South Coastal areas.

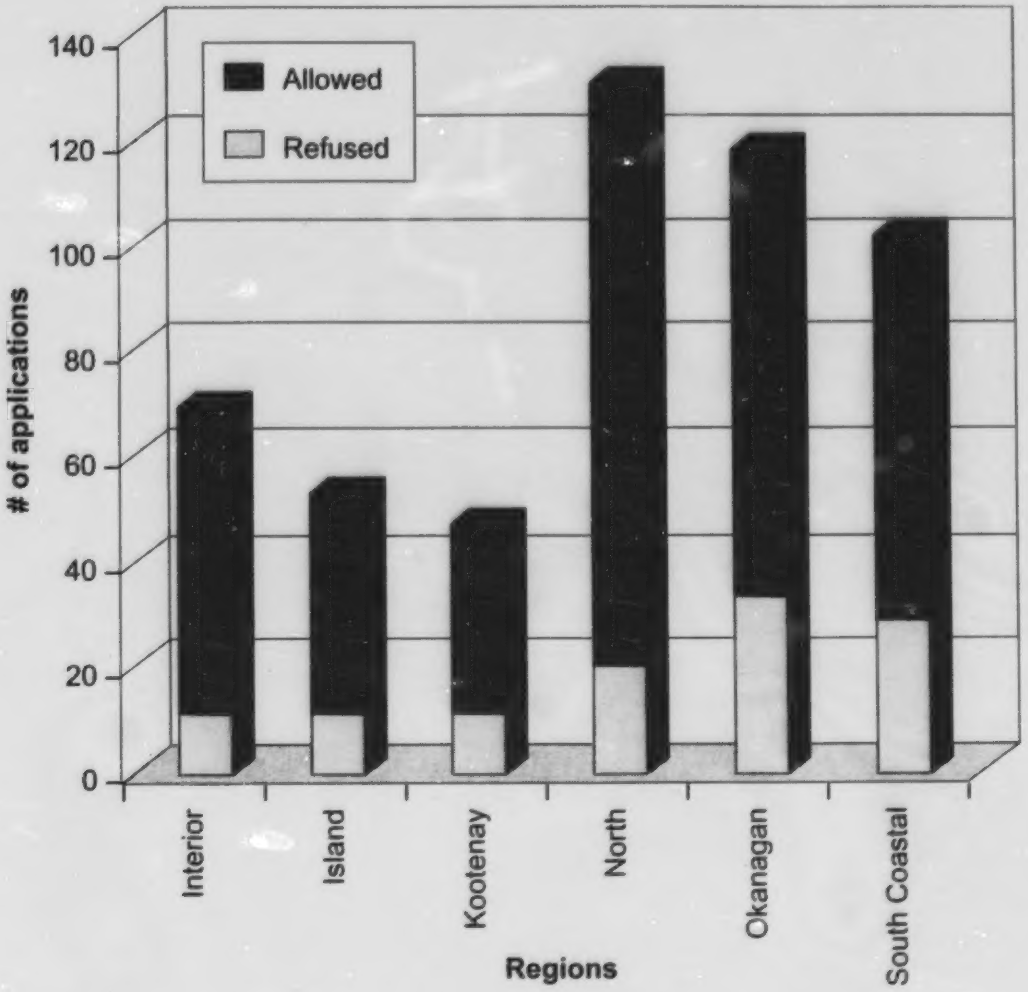


Figure 6
ALR Applications Approved/Refused by Region — 2001/02

Figure 7 compares the number of ALR applications received for subdivision and non-farm uses in each of the province's regional districts in 2001/02. The highest number of applications for subdivision and non-farm uses was in the Greater Vancouver and Fraser Valley regional districts, where population pressures are most intense. The largest number of applications received by the LRC was for subdivision of properties in the ALR. In 2001/02 it received 146 subdivision applications.

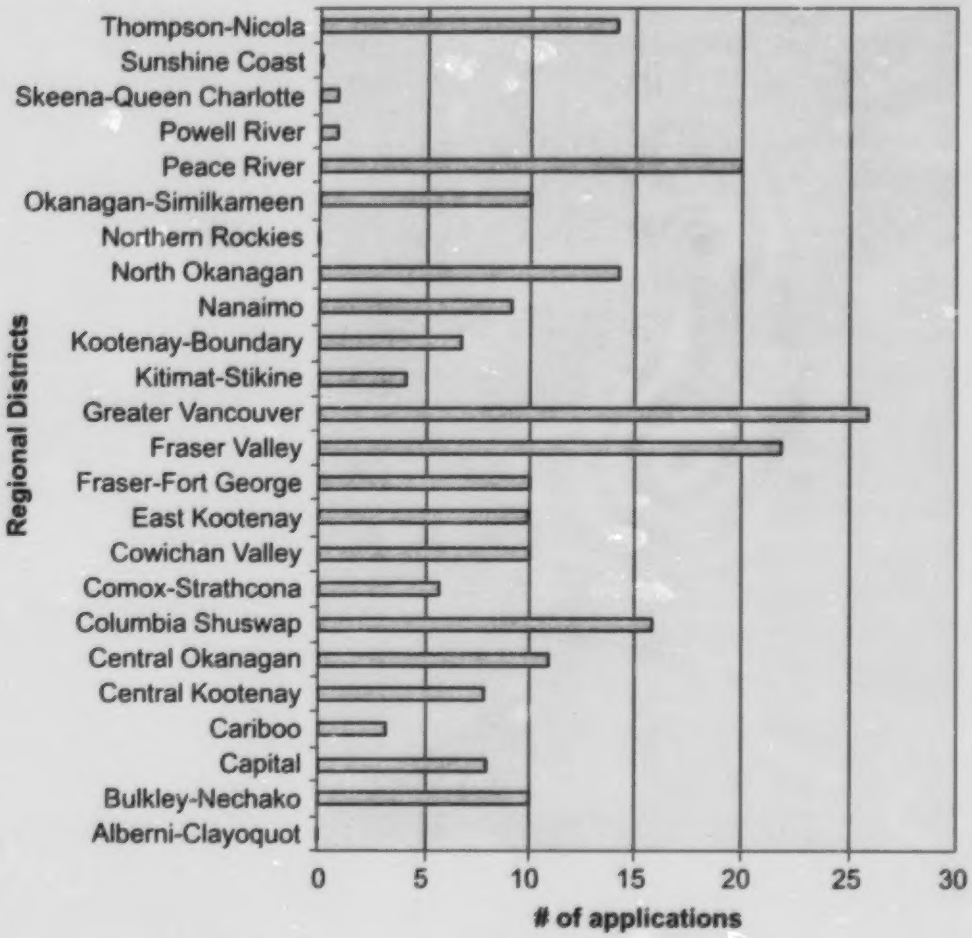


Figure 7
Subdivision and Non-Farm Use Applications by Regional District — 2001/02

The Agricultural Land Reserve's 4,723,517.8 hectares at March 31, 2002 represents a net decrease of 686 hectares since March 31, 2001 and a net increase of 2222.5 hectares since designation of the ALR in 1974. Some of this change can be attributed to improvements in GIS. Figure 8 compares the amount of ALR included and excluded since designation of the ALR.

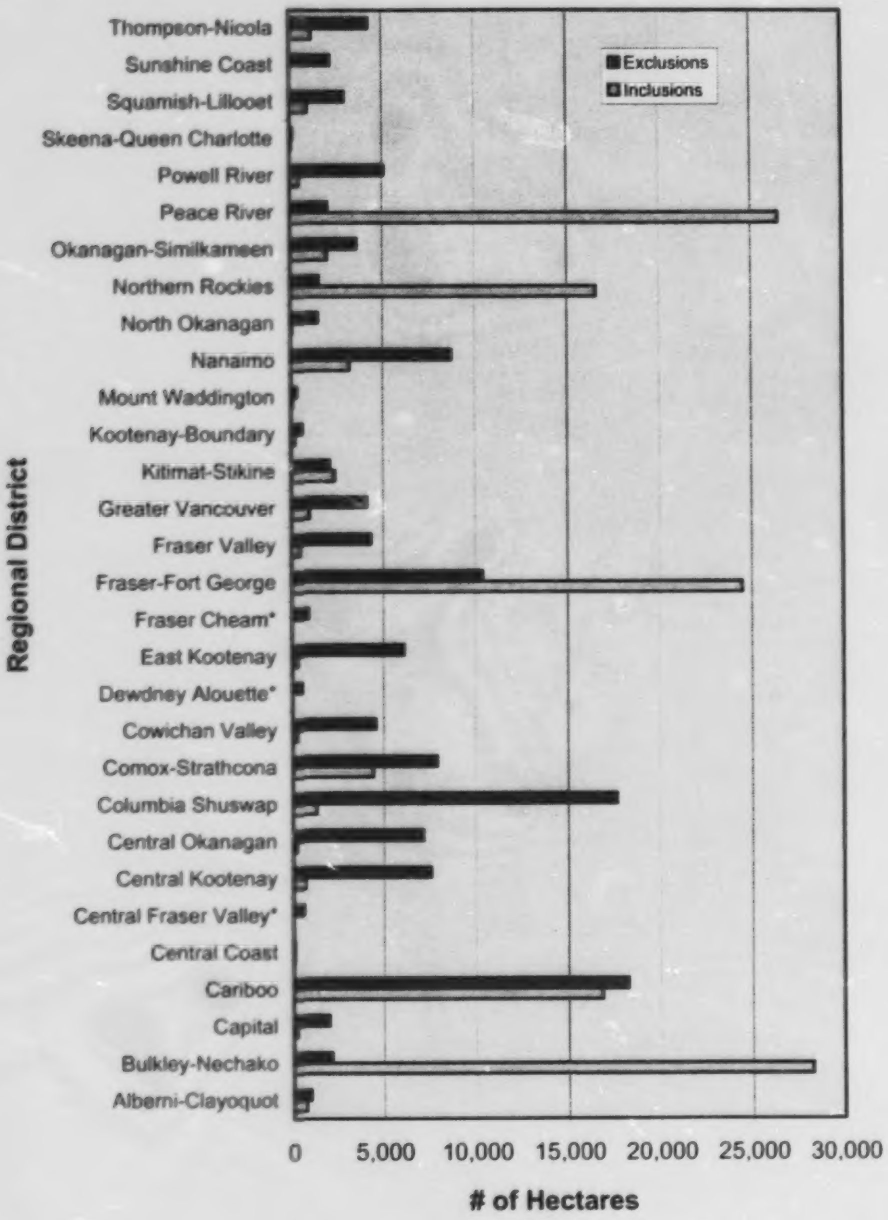


Figure 8
ALR Included and Excluded by Regional District — 1974 to 2002

In last year's annual report the Commission noted that, although the size of the ALR had increased, increases were not taking place in areas of high agricultural suitability and proximity to markets. This year's figures reinforce earlier trends showing that the majority of lands included into the ALR since 1974 are in the lower growth regions of the North. At the same time regions with the largest amount of land excluded from the ALR are in the higher growth regions in southern BC. Clearly, pressure for development in more urban areas continues to change the characteristics of the Reserve. This will continue to be considered by the Commission when making decisions on applications.

These statistics also underscore the need to gather more information in order to provide meaningful measures of the impacts of the Commission's decisions. To that end the Commission started to develop a performance assessment program in 2001/02 that will be implemented in the coming year.

State of the FLR

The *Forest Land Reserve Act* requires the Commission to report on the amount and quality of land in the FLR and the changes that occur to that land base. The FLR consists of almost 16,000,000 hectares of both private and Crown land and there were relatively few requests for additions or deletions (17) during 2001/02.

The Commission considered and made decisions on 4 applications for designation as FLR and 7 applications for removal from the FLR during the year. All applications for designation were approved, which added 228 hectares of medium quality land to the FLR. Of the applications for removal, 2 were refused and the remaining 5 were allowed, which resulted in 53 hectares being removed from the FLR. This caused in a net gain of 175 hectares during 2001/02.

The LRC received 13 applications for non-forestry use of land in the FLR. All were either allowed as requested or allowed with conditions. These uses ranged in scope from a request for the installation of cellular communications towers and equipment to seasonal recreational campsites in the FLR.

Eight subdivision applications were considered by the Commission; only 2 were refused. The 6 subdivisions approved were for such diverse projects as the provision of land for watershed protection and the legalization of long-standing recreational use on private land.

The biggest impact on the FLR will come next year as a result of Core Review. In January the Provincial government announced that the FLR program would be phased out over the following year. This will begin after the introduction of legislation in 2002/03 to remove the subdivision and land use regulation sections of the Act. This will be followed in the Spring of 2003 with the dissolution of the FLR land designation, and its evolution into the working forest initiative.

2001/02 Resource Summary

Table 3 shows the Land Reserve Commission's budget for the period April 1, 2001 to March 31, 2002.

Table 3

[illegible]	[illegible]	2001/02 Budget
Salaries	50	1,766,000
Supplemental Salary Costs	51	6,000
Benefits	52	296,000
Commissioners, Fees & Expenses	55	316,000
Travel	57	133,000
Professional Services, Operational	60	266,000
Professional Services, Advisory	61	125,000
Information Systems	63	30,000
Office Business Expenses	65	60,000
Informational Advertising & Publications	67	10,000
Statutory Advertising & Publications	68	15,000
Utilities, Materials & Supplies	69	15,000
Operating Equipment & Vehicles	70	40,000
Amortization Expenses	73	
Building Occupancy Charges	75	261,000
Grants & Contributions	76, 78	20,000
Other Expenses	85	
Recoveries	89	(2,000)
TOTAL		**3,357,000**
FTE's		33

Table 4 compares 2001/02 finances with the previous 5 years.

Table 4

Year	Revenue $ Fees and Penalties			Budget	Expenses $		
	ALC	FLC	Total	Total	ALC	FLC	Total
2001-2002			202,935	3,357,000			3,287,625
2000-2001			191,849	3,042,000			3,032,275
1999-2000	142,500	9,800	152,300	2,081,284	453,283	77,928	2,612,495
1998-1999	193,305	11,250	204,555	2,234,416	376,869	71,550	2,682,835
1997-1998	178,689	15,500	194,189	2,782,000	2,420,531	322,010	2,742,541
1996-1997	172,000	381	172,381	2,823,000	2,428,589	336,072	2,764,661

Commission Governance

Effective governance of the Commission is important because the Commission has significant regulatory powers. These powers affect individual property rights and may supersede the authority of elected local governments. Commission members are appointed by the Provincial government, rather than elected, and the Commission operates with a high degree of independence.

Landowners, the public and the government expect the Commission to govern itself in a manner that maximizes its effectiveness in fulfilling its many responsibilities. As an independent regulatory agency the Commission must make every effort to demonstrate a high level of public accountability.

The Commission adopted a Governance Policy that focuses primarily on the Commission's operations and function of overseeing management. Its purpose is to ensure that appropriate processes and standards for conduct for the Commission, its members and management are established and monitored. This policy sets out standards and processes that the Commission considers ideal for meeting its responsibilities.

The full text of the Governance Policy is available on the Commission's website www.lrc.gov.bc.ca.

Commission 2001/02

The Commission consisted of the following ten Commissioners and Chair from April 1, 2001 until December 7, 2002:

Chair of the Land Reserve Commission

Dr. Alan Chambers, Vancouver
Consultant and former professor in the management of natural resources. Previously Chair of the Agricultural Land Commission and the Forest Land Commission.

Commissioners

Janna Bakker, Langley
(Appointed as Vice-Chair of Panel A)
Professional agrologist and partner in Koch Greenhouses, a leading producer of roses and orchids.

Gus Horn, 100 Mile House
(Appointed as Vice-Chair of Panel B)
Manager of a Cariboo cattle ranch and past participant in regional Crown land use planning process.

Allen Hopwood, Courtenay
Owns a forestry business and operates two private woodlots near Courtenay. Acts as a forestry advisor.

Christine Hunt, Port Hardy
Advises First Nations interested in starting agricultural projects; former member of the Pacific Salmon Commission.

James Ingram, Slocan
Past mayor of Slocan. Operated an agricultural business in Saskatchewan where he was an independent grain farmer for 12 years.

Ajaib Mann, Surrey
An outreach/advocacy worker with the Progressive Intercultural Community Services Society; organizes social events, fundraising and *Food for Hungry* Project.

Wayne Nowlin, Cranbrook
Officer on the District Labour Council and former regional representative to the national IWA board.

Ravinder (Sid) Sidhu, Vernon
General Manager of Bella Vista Farm Market in Vernon. Received a B.Sc. in Biotechnology from King's College, London.

Maureen Thompson, Prince George
(Appointed as Vice-Chair of Panel C)
Elected member of the Regional District of Fraser-Fort George since 1990.

Ruth Veiner, Dawson Creek
A self-employed farmer producing grains and oilseeds; past board member of the National Farmers' Union.

On December 7, 2001 the government replaced the 11 former Land Reserve Commissioners with 5 senior civil servants as interim Commissioners:

Jon O'Riordan, Vice-Chair
Deputy Minister of the Ministry of Sustainable Resource Management.

Gordon Macatee
Deputy Minister of the Ministry of Agriculture, Food and Fisheries.

Kirk Miller, Chair
Chief Executive Officer of the Land Reserve Commission.

Brian Underhill
Director of Strategic Planning and Corporate Policy for the Land Reserve Commission.

Colin Fry
Director of Regional Operations for the Land Reserve Commission.

Ministry of
Transportation

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

**Ministry of
Transportation**

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Transportation
Annual Report. — 2001/2002

Annual.
"A New Era Update."
Continues: British Columbia. Ministry of Transportation and Highways.
Annual performance report. ISSN 1499-0164.
ISSN 1703-3985 = Annual Report - British Columbia.
Ministry of Transportation

1. British Columbia. Ministry of Transportation - Periodicals. 2. Transportation and state - British Columbia - Periodicals. 3. Roads - British Columbia - management - Periodicals. I. Title. II. Title: Ministry of Transportation Annual Report.

HE215.Z7B74 354.77'09711'05 C2002-960136-3

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Published by the Ministry of Transportation
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Transportation Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Judith Reid

Honourable Judith Reid
Minister of Transportation

June 6, 2002

BRITISH
COLUMBIA

Ministry of Transportation

This year has brought a New Era for British Columbia. Under the direction of a new government, British Columbians have begun to lay a foundation upon which we will build a new future. The Ministry of Transportation's new business approach will ensure that our transportation system is prepared to foster and support a revitalized economy that will give all British Columbians the opportunity to enjoy a good quality of life.

There will be many changes and challenges over the next few years that will require all provincial transportation agencies to work closely with the private sector. We are looking at new, innovative ways to build and maintain our infrastructure, and partnerships between the government and the private sector may provide the best solution. We will also be moving towards greater local decision-making to give communities more control over their own transportation needs and planning. By working together we can provide the infrastructure that will give British Columbia the best opportunity for economic growth and prosperity.

I am confident that this ministry will continue to provide the excellent service that has enabled us to meet our goals in the past. Our success is due to the hard work and dedication of our employees and the close working relationship we enjoy with other transportation agencies.

We look forward to receiving your comments on the new initiatives this ministry is undertaking and on this report.

Judith Reid

Honourable Judith Reid
Minister of Transportation

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Year-at-a-Glance Highlights

Core Services Review

In autumn 2001, the ministry completed its core services review. This review addressed the ministry's mandate and the way services are delivered, resulting in several strategic shifts. The major shifts are:

- The ministry will move from being the sole decision-maker on highway infrastructure investment priorities. It will give communities direct input into these investment decisions through the establishment of regional transportation committees.
- The ministry will move from being the primary funder of highway infrastructure expansion and improvements, and will work to attract private sector investment to fund these initiatives.
- The ministry will develop a strategic provincial transportation plan, integrating all modes of transportation with strong regional and stakeholder input to achieve efficiencies and competitive advantages.

The ministry will continue to manage and maintain the province's highway infrastructure, but will shift its emphasis from being a "doer" to being a "knowledgeable owner" that involves the private sector, local governments and other stakeholders in its transportation investment decisions and project delivery.

Organizational Restructuring

In response to the core services review and the government's commitment to balance the provincial budget within three years, the ministry initiated a major restructuring and downsizing of its organization in 2001/02. Ministry staff will be reduced by 1,446 positions over the next three years. This change will be achieved through reductions in staff at headquarters, regions and districts; steamlined business approaches; increased use of private sector service providers; greater reliance on seasonal workers; a move to shared and centralized support services; and some service reductions (e.g. inland ferries). Early retirement and voluntary departure incentive packages reduced the number of employee lay-offs required.

Management of the BC Transportation Financing Authority (BCTFA) was merged with the ministry in 2001/02. The future of the BCTFA as a legal entity depends on work that is underway to establish a legal and policy framework for the ministry to enter into public-private partnerships (described below) for highway capital construction projects. This work is expected to be completed in 2002/03.

Public-Private Partnerships

The ministry established the Partnerships Department in 2001 to lead the development of public-private partnerships that would secure private sector investment for new highway construction and major infrastructure upgrades. The Partnerships Department will develop design/build/develop arrangements as well as concessions.

The design/build/develop model combines design and construction into a single contract, with some or all of the compensation in the form of residual land within a specified area. This model reduces costs through synergies between the designer and builder, and optimization of land use. It shifts some risk to the private sector.

The concessions model is a design/build/own/operate/transfer process whereby the private sector finances, designs, constructs, operates and maintains a facility for a specified period of time.

The concessionaire is responsible for financing some or all of the required new highway infrastructure. Tolls provide the means for recovering this financing, including a return on the equity invested. Costs are reduced through synergies between the designer and builder, optimization of the trade-off between capital and operating expenditures, and innovation in operating and maintenance practices. Accelerated or enhanced service is provided to highway users, and substantial risks are transferred to the private sector.

The Partnerships Department consists of three branches and a number of project teams. The three branches have the following responsibilities:

- development of policies and strategies to help implement the department's mandate;
- development of projects using the design/build/develop model; and
- management or sale of other ministry land to produce revenues to finance highway improvements.

The project teams are focused on developing and implementing of concessions for new highways or major highway upgrades, and on delivery of other partnership projects.

Infrastructure Management

The first priority of the ministry is the effective operation and maintenance of the highway system — both to keep highways safe and to preserve the public investment. The province spent $519 million on maintenance and rehabilitation of the highway infrastructure in 2001/02.

The Peace River District experienced extensive flooding and landslide activity in June and July of 2001. Two bridges were replaced by temporary bridges and eight multiplate culverts were replaced. Four large landslides led the ministry to conduct temporary detours and start the preparation of designs for construction next year.

The ministry is focusing resources on improving northern and rural transportation, along with other priority highway preservation projects. The ministry expanded its data collection programs in 2001/02 to include information on the condition of both paved and gravel roads. The data collected will be used to prioritize highway rehabilitation projects and make funding decisions in future years.

Capital Projects

The province invested $195 million on highway capital expansion in 2001/02. Several large capital projects were substantially completed:

- The $1.3 billion Vancouver Island Highway Project, which consisted of new and upgraded highway between Victoria and Campbell River, was substantially completed in 2001/02. The two remaining sections, the Millstream Connector and Mill Bay to Duncan, are scheduled for completion in 2002/03.
- The $125 million Lions Gate Bridge project, which consisted of replacement of the bridge deck and widening of the Stanley Park Causeway, was substantially completed in 2001/02. Paving of the causeway between the bridge and the Prospect Point off-ramp and final paving of the bridge surface will be completed in 2002/03.
- The $60 million Port Mann Bridge five-laning/Cape Horn Interchange project, which was undertaken to reduce congestion on the Lower Mainland's worst traffic bottleneck, was substantially completed in 2001/02.
- The $40 million Airport Connector (Sea Island Project) was completed, improving the access to Vancouver International Airport from Highway 99. Ten million dollars for this project was contributed by the Vancouver Airport Authority.

Federal Funding

The federal government, through the Strategic Highway Infrastructure Program (SHIP), allocated funding of $73.5 million to British Columbia in 2001/02 for cost-shared transportation improvements. These funds will provide for improvements to the highway system between 2002 and 2006.

- $61.2 million was allocated to British Columbia under the Highway Construction Component, in an agreement signed on March 2, 2002. Two projects on Highway 1 have been approved and announced (Five Mile Bridge/Kicking Horse Canyon and Victoria Road/Revelstoke). Another ten projects have received approval-in-principle.
- $12 million was earmarked for British Columbia under the Border Crossing Transportation Initiatives. Ten recommended projects received agreement-in-principle on March 21, 2002. Additional contributions totaling almost $5 million are expected from the United States government and the City of Surrey.
- Finally, $250,000 was approved on March 13, 2002, under the Intelligent Transportation System Component for a southbound advanced traveller information system at border crossings on Highway 99 and Highway 15. An additional $1 million in contributions is expected from the United States government and the Canada Customs and Revenue Agency.

Streamlining Processes and Deregulation

Business process re-engineering was initiated in 2001/02. A project team was established to review, streamline and/or re-engineer ministry business processes. The team prepared a project plan, which was approved by the ministry executive. Priority is being given to the re-engineering and streamlining of processes affecting external clients. Clients are involved in improving these processes.

In support of the government's commitment to eliminate costly and unnecessary regulation and red tape, the ministry submitted a three-year deregulation plan to the Minister of State for Deregulation in January 2002. All acts, regulations, and policies under the jurisdiction of the minister of transportation will be reviewed in order to eliminate unnecessary requirements and streamline necessary requirements, such as those which ensure public safety.

Ministry Role and Services

Vision, Mission and Values

Vision

The vision of the Ministry of Transportation is a safe, efficient and reliable transportation system that supports a vibrant economy and meets the needs of British Columbia's citizens, businesses and communities.

Mission

The Ministry of Transportation will achieve its vision by:

- Creating an integrated transportation plan that incorporates all modes of transport and provides a strong foundation for economic growth.
- Maintaining and improving the provincial highway system, ensuring the efficient movement of goods from all regions to provincial, national and international markets.
- Ensuring regional participation in the highway and rural road system.

Values

- We respect regional and community goals and priorities.
- We are responsive to the needs of British Columbia business.
- We strive for excellence and innovation.

Ministry Goals and Priorities

Ministry Goals

- Develop an integrated transportation strategy.
- Maximize private sector investment in the highway system.
- Improve the movement of goods and services between regions and through interprovincial and international gateways.
- Obtain and incorporate regional input.
- Focus on northern and rural areas.
- Maintain a safe and reliable highway system that supports the economy.
- Use cost-effective and accountable management practices.

Ministry Goals Support the Following Government Priorities

- A thriving private sector economy.
- Continued access to education and health care facilities.
- An open and accountable government.
- Responsible, accountable management of British Columbians' public resources and tax dollars.

Strategic Shifts

As a result of the 2001 core services review, the ministry is making a number of strategic shifts in how it conducts business. These shifts will enable the ministry to deliver its new mandate and goals effectively.

From	To
The ministry is the sole decision-maker on investment priorities.	Regional transportation committees will be established to provide input on priority investments.
Taxpayers fund highway expansion and improvements.	Private sector investment will help fund highway expansion and improvements.
Plans for different modes of transportation are developed separately.	A provincial transportation plan will be developed which integrates all modes of transportation.
The ministry manages and delivers the transportation system.	The ministry will act as a knowledgeable owner who involves the private sector, local governments and other stakeholders in the management and delivery of the transportation system.
The provincial government approves rural subdivisions.	A streamlined rural subdivision approvals process, with full cost recovery, will be available for transfer to regional governments on a voluntary basis.

Factors Affecting Business

- The demand for transportation infrastructure continues to increase. More vehicles are using the highways and are travelling more kilometres overall. Trucks have increased in weight and size.
- To compete for business internationally, British Columbia must reduce transportation costs and improve access to international gateways. Security issues related to recent acts of terrorism have made crossing the border more difficult.
- Flooding and slides in the Peace River required many temporary detours and bridge replacements last year.

Core Businesses, Key Programs and Services

In 2001/02, the ministry's work was reorganized into four business areas:

- Highway Operations
- Transportation Improvements (Public-Private Partnerships)
- Motor Vehicle Regulation
- Corporate Services

Highway Operations

The Highway Operations business area encompasses these program areas: Maintenance, Traffic Operations, Asset Preservation, Inland Ferries, and the Coquihalla Toll Administration.

The Maintenance and Traffic Operations program areas are responsible for a variety of activities, such as: regional and district operations; pavement marking; avalanche control; rock slope stabilization; and contracts for the maintenance of highways, roads, bridge structures and tunnels. Asset Preservation involves, among other activities, road and bridge surfacing, bridge rehabilitation and replacement, safety improvements and minor betterments.

Transportation Improvements

The Transportation Improvements business area encompasses these three program areas: Transportation Policy and Legislation; Partnerships; and Planning, Engineering and Construction. Transportation Policy and Legislation provides guidance on the development of transportation, highway and corporate policy and legislation. Partnerships focuses on the development of partnerships with the private sector and other levels of government, and on making efficient use of property under the ministry's jurisdiction to defray or reduce the cost of new highway facilities. The Planning, Engineering and Construction program area is responsible for highway planning, capital program development and monitoring, investment strategies, quality management, access management, direction and management of projects, engineering, and survey and design.

Motor Vehicle Regulation

The Motor Vehicle Regulation business area encompasses the Office of the Superintendent of Motor Vehicles (OSMV) and the Motor Carrier Commission (MCC). The OSMV administers sections of the Motor Vehicle Act relating to dangerous drivers and the fitness of drivers. It conducts appeals of administrative driving prohibitions and vehicle impoundment. It also conducts hearings and reviews of the Insurance Corporation of British Columbia's (ICBC) decisions regarding driver licence sanctions, driver training and driver licences. The OSMV also administers vehicle inspection facilities and inspector licences. It manages licensing sanctions that affect motor carriers regulated under the National Safety Code. The MCC is an independent body which regulates the province's commercial passenger industry (buses and taxis) pursuant to the Motor Carrier Act. The Commission, by delegation pursuant to the Motor Vehicle Transport Act (Canada), issues licences for the interprovincial and international road transport of passengers.

Corporate Services

The Corporate Services business area encompasses the following activities: the minister's and deputy minister's offices; finance; administration; asset management; capital project audits; human resources; facilities management; information systems; performance measurement; and information and protection of privacy.

Update on *New Era* Commitments

Regional Transportation Authorities

The ministry is charged with establishing regional transportation authorities that are accountable to local taxpayers and will give local communities more control over their transportation needs and planning. The initial step will be to establish regional transportation committees to provide input to the ministry on priority investments for their regions. These committees will be in place by December 2002.

Northern and Rural Transportation

The ministry is focusing resources on improving northern and rural transportation. An additional $10 million in funding per year, beginning in 2002/03, has been allocated to this initiative. A system for measuring the condition of northern and rural roads, and for prioritizing associated rehabilitation projects, will be implemented in 2002/03.

Provincial Transportation Strategic Plan

The ministry is examining the status of the transportation and infrastructure system and is considering various regional transportation models. The ministry will develop a high level strategic plan for provincial transportation, beginning in summer 2002.

TransLink Financing

The ministry worked with TransLink to address its financing structure. A two cents per litre increase to gasoline taxes in the Greater Vancouver Regional District was implemented on April 1, 2002. This additional revenue is dedicated to TransLink. Discussions are continuing with TransLink on governance issues.

Rapid Transit Project 2000 Ltd.

Construction of the SkyTrain Millennium Line by the Rapid Transit Project 2000 Ltd. (RTP) is nearing completion. The ministry and RTP are working with TransLink to ensure a smooth transition to revenue service. The Braid to Columbia section was opened in January 2002 and the remaining portions will be opened in September 2002.

Elimination of HCL Hiring Requirements

Highway Constructors Ltd. (HCL) union-only "hiring hall" requirements on highway construction projects were eliminated in July 2001, thereby satisfying one of the government's commitments for its first 90 days in office. HCL will be wound up in 2003 once its outstanding contractual commitments are fulfilled.

Waste Buster Successes

The provincial waste buster web site was created in August of 2002, providing British Columbians the opportunity to help reduce government spending. The program allows citizens to identify excess spending on activities or products, money wasted on inefficient or overlapping processes, and activities or processes that are unnecessary or outdated and should be eliminated.

The Ministry of Transportation has been the lead ministry in implementing waste buster suggestions, with cost savings to date approaching $1.7 million. Implemented suggestions have included discontinuation of the ministry's WESTAC and TAC memberships ($265,000 annual savings) and a reduction in the frequency of roadside and median mowing ($1 million annual savings).

Performance Reporting

As a result of the core services review and the consequent strategic shifts in ministry direction, the ministry's objectives and some of its performance measures have been revised, deleted or replaced. This section describes the performance measures that were in place at the end of fiscal 2001/02.

Objective: To streamline operations.

Provincial Inland Ferries

The cost per vehicle carried is calculated using direct operating costs, excluding amortization.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Number of vehicles carried	1,744,000	1,715,000	-1.6%
Cost per vehicle carried	$6.58	$7.23	+$0.65

The cost per vehicle carried increased due to fuel and labour cost increases, as well as a decrease in the number of vehicles carried. Although fuel prices fluctuated through the year, there was an overall price increase and this increased ferry operating costs.

Objective: To improve the highway infrastructure and network, increasingly through public-private partnerships.

Mobility

The level of traffic congestion for urban highways is calculated as a percentage of vehicle kilometres travelled where the volume to capacity ratio exceeds 0.9. The ratio of 0.9 is used by transportation planners as the accepted threshold for calculating traffic congestion in urban areas.

Performance Measure	2001/02 Target (Updated)	2001/02 Actual	Variance
Level of traffic congestion on urban provincial highways (% of urban vehicle kilometres travelled in congested conditions).	13.3%	13.4%	+0.1%

The original 2001/02 mobility target of 4.6 per cent was calculated as an average of both urban and rural traffic congestion. This combined target understated the overall congestion problem, as rural congestion generally is very low. The adjusted target for urban highways only is a better reflection of the congestion problem.

The ministry aims to enhance capacity and reduce congestion through partnership opportunities, by providing high occupancy vehicle lanes, by operational improvements aimed at maximizing the efficiency of existing infrastructure, and by pursuing access management plans which seek an appropriate balance between highway mobility and access to lands.

Objective: To maintain and preserve provincial highways.

Highway Safety

Two elements are used to measure highway safety: the number of fatalities per 100 million vehicle kilometres travelled and the number of serious injuries per 100 million vehicle kilometres travelled. Crash data is gathered by the RCMP as part of its on-site accident investigation.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Number of fatalities (per 100 million vehicle kilometres travelled)	1.05	See below	
Number of serious injuries (per 100 million vehicle kilometres travelled)	27.70	See below	

The measurement of actual highway safety requires the RCMP's accident investigation data. This data is not available from the RCMP until the autumn following the end of a fiscal year. The 2002/03 annual report will include safety performance measures for 2001/02, and subsequent annual reports will report on this performance measure one year in arrears, so that the ministry can obtain the relevant accident investigation data.

Pavement Condition

Pavement condition is determined by calculating the percentage of kilometres of road where the condition is rated as good or excellent.

Pavement condition data is collected by using a multi-function pavement evaluation vehicle that employs automated and semi-automated equipment to take very detailed measurements of surface distress. Network pavement surface condition surveys are currently completed on the main numbered highways and selected major side roads (approximately 12,000 km out of 23,000 km total paved highway). Primary highways are surveyed biannually and secondary highways/major side roads are surveyed every three years.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Primary highways pavement condition	75%	80%	+5.0%
Secondary highways/major side roads pavement condition	65%	65%	0

The condition data that was used for the 2001/02 targets was from 1999 surveys. The 2001/02 actuals were based mainly on more recent 2001 survey data. Increased funding on the primary highway system has resulted in an improvement in performance.

Highway Rehabilitation

"Highway rehabilitation" refers to resurfacing of roadways, including asphalt overlays, hot-in-place recycling, milling, reclamation, micro-surfacing, sealcoat applications, and first time hard surfacing of gravel roads.

- **Number of Lane Kilometres Resurfaced**

Lane kilometres are calculated by summing the total lengths of individual travel lanes that are resurfaced. Lane kilometres of resurfacing are measured during resurfacing.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Number of lane kilometres resurfaced	2000	2180	+9%

A three per cent variance is considered to be within practical limits for this measure. Targets can be missed as a result of unforeseen circumstances such as harsh winter conditions, spring freeze-thaw, slides, flooding, budget allocations and prioritization. The 2001/02 target was exceeded due to an increase in first time hard surfacing in the north, accomplished through funding reallocations within the rehabilitation program. Competitive bids resulted in lower than expected bid prices for resurfacing, which allowed a greater amount of work to be completed.

- **Bridge Condition**

The Bridge Condition Index (BCI) is a numerical indicator of the condition of a bridge and its components. Bridge condition is measured as the percentage of bridges where condition is good or excellent, as indicated by the BCI. Bridge condition ratings are conducted on an annual basis.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Bridge condition	78%	81%	+3%

The positive variance is primarily the result of building new facilities.

Highway Maintenance

The number of lane kilometres is calculated from an inventory list provided by each highway district. The cost of maintenance per kilometre of road includes the actual cost of road and bridge maintenance contracts, as well as estimates of the costs of administering contracts, performing electrical maintenance, pavement marking and avalanche control. The total cost is divided by the total number of lane kilometres. The quality assurance rating is a measure of the road and bridge maintenance contractor's performance based on random inspections of activities such as surface maintenance, drainage, and roadside and winter maintenance. The ratings for each contract area are averaged to provide a province-wide rating.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Number of lane kilometres maintained	84,600	84,412	-188 km
Maintenance cost per lane kilometre	$4,090	$4,124	+$34
Quality assurance rating for maintenance contracts	0.91	0.92	+0.01

The cost per lane kilometre was $4,012 for 1999/2000, $3,977 for 2000/01 and $4,124 for 2001/02. The reduction in 2000/01 reflects the savings obtained through amendments to road and bridge maintenance contracts, while the increase in 2001/02 is due mostly to inflation and especially the increase in the cost of fuel.

- **Pavement Marking**

The performance measure for pavement marking is the number of line kilometres painted and the cost per line kilometre for painting highway centrelines and edgelines. Cost per line kilometre is calculated by dividing the total costs by the number of line kilometres painted. Weather is a key variable affecting the amount of pavement marking required, and the amount of marking that is completed.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Number of line kilometres painted	27,500 km	27,362 km	-138 km
Cost per line kilometre	$255	$270	+ $15

The variance of 138 km painted is considered within acceptable limits. The cost per line kilometre increases when productivity is less than anticipated due to weather. The cost per line kilometre increase is due to poor weather and the resulting inability to reschedule completion of planned line painting.

Report on Resources

As a result of the core services review and the strategic shifts in ministry direction, the ministry's vote structure was reorganized during 2001/02. The table below reflects the original vote structure (with some sub-votes combined), which corresponds with the 2001/02 Estimates and Public Accounts.

2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Corporate Services[1]	24,192	0	24,192	23,145	1,047
Planning & Major Projects	4,520	0	4,520	4,026	494
Highway Operations & Maintenance	418,548	0	418,548	415,314	3,234
Highway Capital Construction[2]	34,002	0	34,002	34,000	2
Inland Ferries[3]	13,186	0	13,186	17,199	(4,013)
Motor Vehicle Regulation[4]	4,958	0	4,958	5,405	(447)
Public Transit[5]	172,850	0	172,850	167,497	5,353
Total Voted	672,256	0	672,256	666,586	5,670
Contingencies[6]		39,621	39,621	39,621	0
Statutory Expenditures[7]		997	997	997	0
Total Ministry Expenditures	**672,256**	**40,618**	**712,874**	**707,204**	**5,670**
Full-time Equivalents (FTEs)					
Total	**2,303**	**0**	**2,303**	**2,241**	**62**
Ministry Capital (Expenditures) ($000)[8]					
Total	**13,623**	**1,893**	**15,516**	**15,516**	**0**
Consolidated Capital Plan Expenditures ($000)[9]					
Total	**331,000**	**0**	**331,000**	**324,442**	**6,558**
Other Financing Transactions (Net Disbursements) ($000)					
Prepaid Capital Advances (Public Transit)[10]	316,000	0	316,000	207,145	108,855
Revenue ($000)					
Revenue[11]	44,580	0	44,580	45,240	660

The ministry's 2001/02 expenditures, while profiled above using the previous vote structure, contributed to achievement of the goals and objectives that were established as a result of core services review and that are profiled elsewhere in this report.

[1] Corporate Services includes the Minister's Office.

[2] Highway Capital Construction includes a $34 million operating grant to the BCTFA. Capital project expenditures are recovered from external sources, primarily the BCTFA. See Consolidated Capital Plan expenditures.

[3] Inland Ferries expenditures were over budget due to increased fuel costs and an accounting adjustment for the revaluation of assets.

[4] Motor Vehicle Regulation includes the Office of the Superintendent of Motor Vehicles and the Motor Carrier Commission.

[5] Public Transit includes British Columbia Transit and Rapid Transit Project (RTP) 2000.

[6] Contingencies include a Canadian Auto Workers signing bonus, RTP 2000 amortization of deferred charges, start-up/mobilization costs for SkyTrain and a Rapid Transit Study.

[7] Statutory expenditures include a Motor Vehicles/ICBC account correction.

[8] Ministry Capital Expenditures include specialized equipment, information systems, vehicle leases, buildings, ferries, office furniture and equipment, and tenant improvements. The other authorization is for vehicle leases, which are now capitalized under government accounting policy.

[9] All 2001/02 Consolidated Capital Plan expenditures were funded by BCTFA, supplemented by external recoveries. BCTFA expenditures are reported here.

[10] Prepaid Capital Advances are for capital expenditures and borrowing costs for selected public transit projects. Surplus is due primarily to a GST refund to RTP 2000.

[11] The majority of the ministry's reported revenue comes from Coquihalla Tolls ($42,853,896 in 2001/02).

Major Capital Projects

Vancouver Island Highway Project (VIHP)

The main north-south corridor serving Vancouver Island is comprised of the Trans-Canada Highway south of Nanaimo and Highway 19 from Nanaimo to Campbell River. Maintaining the performance of the corridor was a problem due to rapid population and economic growth as well as development along the corridor. The VIHP was initiated to construct new sections of highway and upgrade others in order to meet current and future traffic demands and support long-term economic development for the Vancouver Island region.

Objectives:

- Provide a transportation corridor that addresses the needs of Vancouver Island and improves safety.

Costs:

- Project budget and forecast is $1.3 billion.

Benefits:

- Time savings for road users.
- A 60 per cent reduction in traffic accidents in some areas.
- Reduced vehicle-operating costs for all users.

Achievements this year:

- The Inland Island Highway from Courtenay to Campbell River was completed and opened.
- Improvements to Highway 1 between Mill Bay and Duncan (Kilmalu to Cobble Hill) were completed and opened.
- Construction commenced on the remainder of the Millstream Road Connector and on the Millstream Road Extension.

Risks:

- Risks are low, as the project is substantially complete. The two remaining sections, the Millstream Connector and Mill Bay to Duncan (Wilmot to Allenby), are scheduled for completion in 2002/03.

Lions Gate Bridge

The ministry's main goal with the Lions Gate Bridge was to ensure its safe operation. The 64-year-old bridge carries more than 40 per cent of the daily traffic crossing Burrard Inlet. While the cables and towers remained in good condition, the steel and concrete bridge roadway was rusty and worn. The Lions Gate Bridge rehabilitation project was initiated to ensure that the bridge remains structurally sound and operationally efficient. This was accomplished through replacement of the entire bridge deck, widening of traffic lanes and sidewalks, seismic upgrading of the bridge and North Viaduct, and rehabilitation of the Stanley Park Causeway.

Objectives:

- Rehabilitation, widening and seismic upgrading of the Lions Gate Bridge to ensure continued reliable service.

Costs:

- Project budget and forecast is $125 million.

Benefits:

- Safer and more reliable traffic flow through wider lanes and sidewalks. New traffic control and monitoring equipment.
- A seismically sound structure upgraded to meet the latest earthquake standards from experience in Kobe, Japan, and Oakland, California.

Achievements this year:

- Replacement of remaining bridge deck segments was completed.
- Widening of Stanley Park Causeway and construction of Prospect Point Underpass were completed.
- North approach viaduct widening and seismic upgrading were completed.
- Seismic upgrading of the North Tower continued.

Risks:

- Risks are low, as the project is substantially complete. Paving of the causeway between the bridge and the Prospect Point off-ramp and the final paving of the bridge surface remain.

Port Mann Bridge Five-laning/Cape Horn Interchange

Highway 1 in the vicinity of the Port Mann Bridge is the Lower Mainland's most severely congested area. The Port Mann Improvement Project was undertaken to improve traffic flow by adding a fifth lane across the bridge to the 152nd Street Interchange. This lane is dedicated to high occupancy vehicle (HOV) traffic travelling eastbound. Traffic merging patterns on the Lougheed Highway (Highway 7) between United Boulevard and the Cape Horn Interchange were also revised. A new westbound on-ramp from Lougheed Highway to Highway 1 was constructed in the vicinity of Coleman Avenue to replace the existing ramp at Cape Horn. A new on-ramp from Mary Hill Bypass to Highway 1 westbound was also constructed. Seismic improvements to the Port Mann Bridge were made.

Objectives:

- Ease congestion on the Lower Mainland's worst traffic bottleneck.

Costs:

- Original project budget was $74 million. Current forecast is $60 million. An additional $5.8 million was spent on resurfacing the bridge deck.

Benefits:

- Extends the benefits of the Highway 1 HOV lanes into Surrey.
- Improves traffic flow and safety for traffic moving onto Highway 1 from the connecting highway network.

Achievements this year:

- Extension of the eastbound Highway 1 HOV lane across the bridge to the 152nd Street exit in Surrey was completed and opened.
- Lougheed Highway/Cape Horn Interchange improvements were completed and opened.
- Mary Hill Bypass ramp improvements were completed and opened.

Risks:

- Risks are low, as the project is substantially complete.

Nisga'a Highway Upgrade

The conclusion of the Nisga'a Treaty process in the Nass Valley will lead to economic growth and development which will require safe and reliable highway access. The region's main road access, the Nisga'a Highway, experiences flooding and has poor surface conditions and a deficient alignment. To facilitate economic growth and development, the provincial government is continuing a seven-year investment program to upgrade the Nisga'a Highway to an all weather two-lane highway (general 70 km/h standard) to better serve Nass Valley residents and resource industries in the area.

Objectives:

- Upgrade the Nisga'a Highway to an all weather two-lane highway.

Costs:

- Project budget is $52 million.

Benefits:

- Increased economic development, in areas such as tourism.
- Safety, access and mobility improvements.

Achievements this year:

- Paving commenced on some sections.
- Design commenced or was completed on other sections.

Risks:

- Nisga'a upgrade budget was increased from original estimate of $41 million.

Report Appendices

Appendix A: Crown Corporations and Commissions

The Minister of Transportation is responsible for the following Crown corporations and commissions:

BC Transportation Financing Authority

The BC Transportation Financing Authority (BCTFA) is a provincial Crown corporation. Under the Build BC Act, the BCTFA makes capital investments in transportation infrastructure and finances these investments through borrowing and dedicated fuel taxes. Management of the BCTFA was merged with the Ministry of Transportation in 2001/02.

BC Ferries

The British Columbia Ferry Corporation (BC Ferries) is a Crown corporation. BC Ferries is an integral part of British Columbia's coastal transportation system, linking Vancouver Island, the mainland and many isolated coastal communities.

BC Ferries web site: http://www.bcferries.com

BC Transit

BC Transit is a Crown corporation charged with providing public transportation throughout the province, outside of Greater Vancouver. The British Columbia Transit Act mandates the corporation to "plan, acquire, construct or cause to be constructed public passenger transportation systems and rail systems that support regional growth strategies, official community plans, and the economic development of transit service areas".

BC Transit web site: http://www.bctransit.com

Rapid Transit Project 2000

Rapid Transit Project (RTP) 2000 Ltd. is a provincially held limited company incorporated under the Company Act. RTP 2000's primary mandate is to design and construct the Millennium Line, which will link Vancouver and New Westminster via the Broadway-Lougheed corridor. RTP 2000 is also responsible for implementing the terms of the memorandum of understanding between Bombardier and the Province; participating in cost sharing negotiations between the Province and TransLink; and undertaking studies to determine the feasibility, acceptability, cost, implementation options, and financing strategies for lines to Vancouver West and Port Moody-Coquitlam.

RTP 2000 web site: http://www.rapidtransit.bc.ca

BC Rail

The BC Rail line consists of 2,315 kilometres of mainline and 740 kilometres of industrial, yard and track sidings throughout the province. About 80 per cent of BC Rail's total revenue arises from the transport of goods like forest, energy and agricultural products. The remaining revenues are made from car hire, barging, passenger services and intermodal operations.

BC Rail web site: http://www.bcrail.com

Motor Carrier Commission

The Motor Carrier Commission is responsible for regulating commercial passenger carriers, such as taxis and buses. Every commercial passenger carrier that operates in British Columbia must hold a motor carrier licence, along with a motor carrier certificate and plate for each vehicle in the carrier's fleet. Commissioners examine applications for new and altered motor carrier licenses. When considering a licence application, Commissioners may consider objections to the application; the general effect on public interests and other transportation services; the quality and permanence of the service; the fitness, willingness and ability of the applicant to provide proper service; and any other matters that the Commission finds relevant.

Motor Carrier Commission web site: http://www.th.gov.bc.ca/mcc/mcc.htm

Appendix B: Ministry Legislative Mandate

Ministry of Transportation and Highways Act (excluding section 34), which creates the ministry and sets out its mandate. The act also authorizes the collection of tolls for the Coquihalla Highway.

Highway Act, which deals with the establishment, maintenance, alteration and regulation of public highways in the province, including bridges and tunnels.

British Columbia Railway Act, which establishes the British Columbia Railway Company, establishes a board of directors and sets out the reporting and institutional relationships with the provincial government.

British Columbia Transit Act, which establishes the British Columbia Transit Authority, establishes a board of directors and sets out the reporting and institutional relationships with the provincial government.

Ferry Corporation Act, which establishes the British Columbia Ferry Corporation, establishes a board of directors and sets out the reporting and institutional relationships with the provincial government.

Greater Vancouver Transportation Authority Act, which establishes the Greater Vancouver Transportation Authority (TransLink), establishes a board of directors and sets out the reporting and institutional relationships with the provincial government.

Motor Vehicle Act. Responsibility for the Motor Vehicle Act is shared between the Minister of Transportation and the Minister Responsible for ICBC. The Minister Responsible for ICBC is responsible for those sections with respect to vehicle and driver licensing, driver training, vehicle standards and inspections. The Minister of Transportation is responsible for those sections that set out the rules of the road, traffic control device standards, and authorities for the Office of the Superintendent of Motor Vehicles.

Commercial Transport Act, which establishes legislation and licensing provisions for commercial vehicles, as well as commercial vehicle configuration and safety standards. Section 3 (road building machines) is administered solely by the Minister of Transportation. Sections 1, 4, 5, 8, and 11 are jointly administered by the Minister of Transportation and the Minister Responsible for ICBC.

Ferry Act, which permits the ministry to provide for an inland ferry service either directly or through contractors.

Highway (Industrial) Act, which, in combination with other acts, governs the operation of vehicles on private resource roads.

Highway Scenic Improvement Act, which allows the ministry to impose regulations requiring the removal of unsightly accumulations on property adjacent to highways or sections of highways designated as scenic routes.

Motor Carrier Act (except section 54), which establishes the Motor Carrier Commission and Reconsideration Panel, setting out licensing provisions and tariff requirements for passenger motor carriers.

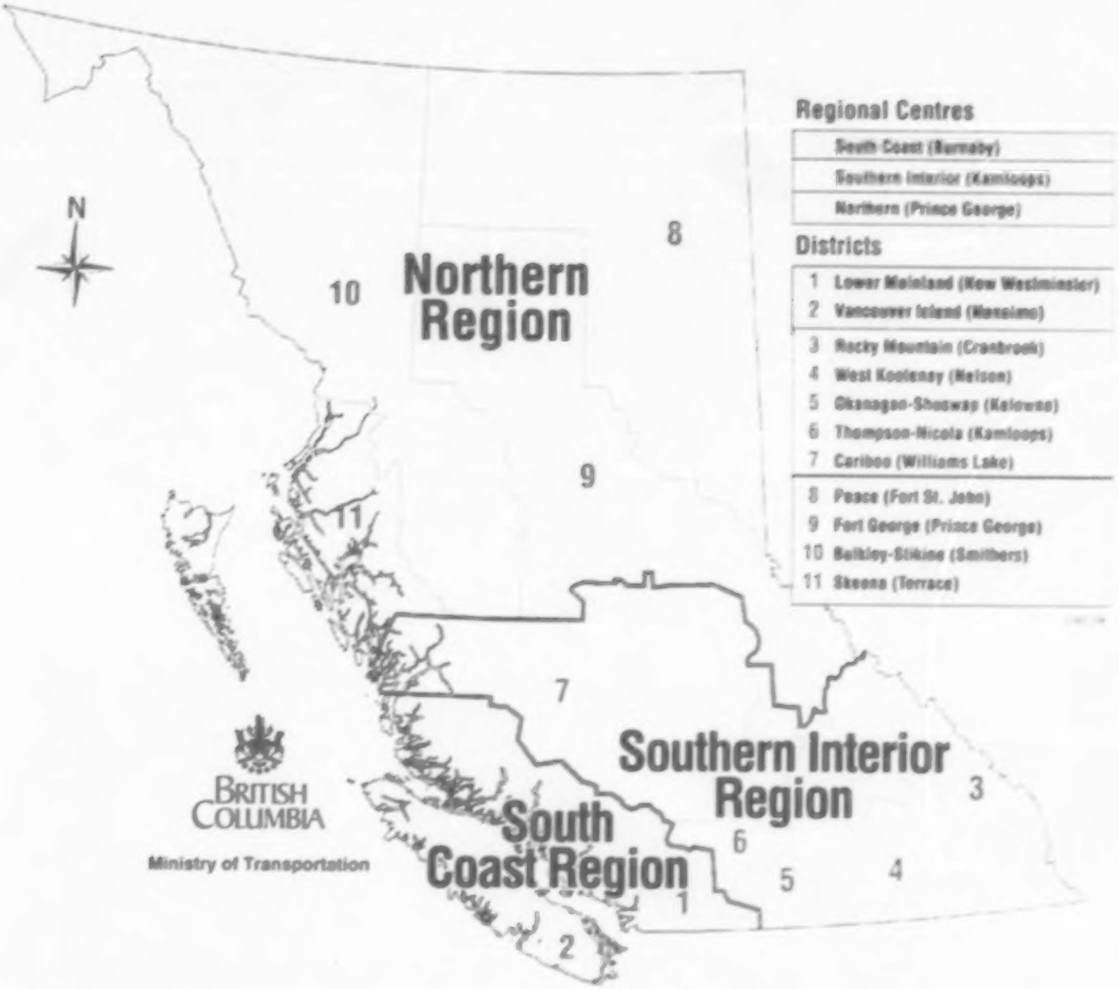
Railway Act. The Ministry of Community, Aboriginal and Women's Services is responsible for the safety and inspection provisions. The Ministry of Transportation is responsible for the remaining provisions regarding corporate matters.

Riverbank Protection Act, which enables the Lieutenant Governor in Council to take appropriate measures to prevent the encroachment of a river on its banks.

Transportation of Dangerous Goods Act, (section 23 only) which sets out regulations and standards for the movement by trucks of dangerous goods within the province.

Build BC Act (Part 4 only), which establishes the BC Transportation Financing Authority, establishes a board of directors and sets out the reporting and institutional relationships with the provincial government.

Appendix C: Regional and District Boundary Map


N
10
8
Northern Region
9
11
7
Southern Interior Region
3
South Coast Region
6
5
4
1
2
Regional Centres
South Coast (Burnaby)
Southern Interior (Kamloops)
Northern (Prince George)
Districts
1 Lower Mainland (New Westminster)
2 Vancouver Island (Nanaimo)
3 Rocky Mountain (Cranbrook)
4 West Kootenay (Nelson)
5 Okanagan-Shuswap (Kelowna)
6 Thompson-Nicola (Kamloops)
7 Cariboo (Williams Lake)
8 Peace (Fort St. John)
9 Fort George (Prince George)
10 Bulkley-Stikine (Smithers)
11 Skeena (Terrace)
BRITISH COLUMBIA
Ministry of Transportation

Ministry of
Water, Land
and Air Protection

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

Ministry of
Water, Land
and Air Protection

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Water, Land and Air Protection.
Annual Report. — 2001/2002 -

Annual.
"A *New Era* update".
Also available on the Internet.

ISSN 1703-3802 = Annual Report - British Columbia. Ministry of Water, Land and Air Protection
Continues in part: British Columbia. Ministry of Environment, Lands and Parks. Annual report. ISSN 1195-4825.

1. British Columbia. Ministry of Water, Land and Air Protection - Periodicals. 2. Environmental policy - British Columbia - Periodicals. 3. Environmental protection - Government policy - British Columbia -Periodicals. 4. Ecosystem management - Government policy - British Columbia - Periodicals. 5. Parks - Government policy - British Columbia - Periodicals. I. Title. II. Title: Ministry of Water, Land and Air Protection ... annual report.

HD319.B7B74 354.3'34'0971105 C2002-960132-0

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Published by the Ministry of Water, Land and Air Protection
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Water, Land and Air Protection Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Joyce Murray
Minister of Water, Land and Air Protection

June 28, 2002

BRITISH
COLUMBIA

Ministry of Water, Land and Air Protection

I am pleased to introduce this annual report on the work of the ministry in the months since its inception in June 2001.

The ministry has been charged with the responsibility of protecting the integrity of our province's water, land and air resources. Its clear mandate is to reduce pollution and the accompanying risks to human health; maintain and restore our province's natural biological diversity; and manage our parks, protected areas, wildlife and fish for all to enjoy.

We will do this by applying the highest environmental standards, by focusing on priority areas that are critical to environmental quality and the health and safety of British Columbians, by taking a science-based, principled approach to environmental management, and by fostering excellence in environmental stewardship across the province.

The ministry supports the government's broader vision of a strong and vibrant provincial economy, a supportive social infrastructure, safe, healthy communities and a sustainable environment. Much of the work documented in this annual report for 2001/02 has focused on fulfilling important environmental commitments under the government's *New Era* agenda and on achieving a number of established performance targets. The report is also complementary to the ministry's Core Review documents released during the year, and the ministry's three-year service plan released in February 2002.

I would like thank the ministry's dedicated staff, our colleagues in other ministries and public agencies, and numerous partners outside of government for the support they have given to these efforts during this transition year.

Joyce Murray
Minister

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Year-at-a-Glance Highlights

April 2001 – March 2002

2001

June Under government restructuring on June 5, 2001, some functions of the then Ministry of Environment, Lands and Parks were streamlined, to better align the primary responsibilities for environmental protection and stewardship with the new Ministry of Water, Land and Air Protection.

At the first Open Cabinet, the new government confirmed British Columbia's commitment to work with the federal government towards creating a national park reserve in the Gulf Islands and approved $25 million for land acquisitions: $5 million for acquisitions for the new national park reserve and $20 million for provincial acquisitions on islands outside the national park reserve.

The Natural Heritage Agreement confirmed the funding allocations by the federal and provincial governments, the Greater Vancouver Regional District and the Corporation of Delta for the purchase of Burns Bog.

July A blanket moratorium on grizzly bear hunting was replaced with regional moratoriums, and a scientific peer review panel was appointed to review and comment on grizzly harvest management practices.

August British Columbia's request for intervenor status in hearings for the proposed Sumas 2 power plant was granted by the Washington State Energy Facility Site Evaluation Council.

A public report on manure management practices in the Fraser Valley identified a need to improve practices for dealing with manure and other agricultural wastes.

A preliminary review of seabed monitoring data in British Columbia's salmon aquaculture industry, including an inventory of waste management measures from 94 salmon farms, was released as a further step toward the development of new aquaculture waste regulations for fish farms.

September An independent panel was appointed to review the *Drinking Water Protection Act* and make recommendations to government.

October The ministry presented its new mandate to Open Cabinet as part of the government-wide Core Review process.

November Eight individuals, organizations and businesses were honoured through the 2001 Minister's Environmental Awards for their efforts to protect British Columbia's environment and promote environmental stewardship.

December An independent scientific advisory panel was appointed to review the requirement for zero AOX (Adsorbable Organic Halides) discharges at British Columbia pulp mills.

The Drinking Water Review Panel released its interim report.

The province announced that it will enter into an agreement with the Government of Canada to establish a national park reserve in the southern Gulf Islands (agreement to be signed in 2002), with the announcement including the acquisition of 640 hectares on Saltspring Island.

2002

January New, comprehensive process for developing environmental standards and practices was announced, in preparation for a managed expansion of the salmon aquaculture industry in British Columbia beginning April 30, 2002.

February The ministry's 2002/2003 – 2004/2005 Service Plan was released in accordance with the government's *Budget Transparency and Accountability Act* and developed in the context of the government's *New Era* commitments.

The Contaminated Sites Regulation was amended to improve the process for cleanups and provide updated human health standards based on the best available science.

A new Organic Matter Recycling Regulation was introduced, strengthening human health standards, eliminating costly permitting processes, and making British Columbia the first jurisdiction in North America to limit the use of recycled organic materials in drinking water watersheds.

The Grizzly Bear Scientific Panel issued its interim report.

The Drinking Water Review Panel released its final report for consideration by the government.

March A report was released documenting climate change trends in British Columbia over the past century, as well as likely future changes.

The independent scientific advisory panel appointed to review the requirement for zero AOX discharges at pulp mills in British Columbia submitted its final report.

The government strengthened the GVRD's liquid waste management plan, with a list of requirements to enhance scientific evaluation and to protect the ecological health of Greater Vancouver's waterways.

Ministry Role and Services

British Columbia enjoys an exceptional wealth and diversity of ecosystems and natural resources. Together, they confer a wide range of economic, social and recreational benefits, along with a concurrent responsibility to future generations.

The Ministry of Water, Land and Air Protection was created by order of the Lieutenant Governor in Council on June 5, 2001. At that time, the government made its expectations clear: the new ministry would provide the framework, policies and guidance that will enable British Columbians to enjoy the benefits of world-class environmental management through a scientifically-based and principled approach to environmental issues that ensures sustainability, accountability and responsibility.

The Ministry of Water, Land and Air Protection plays an essential role in encouraging and supporting the efforts of British Columbians to maintain a healthy environment and the important benefits that accompany it — enhanced human health, sustainable economic development and a high quality of life. Prudent management and protection of the natural environment will help ensure that the benefits we enjoy today will be available for our children and grandchildren in the future.

Government Direction — Strategic Plan 2002/03 - 2004/05

The three year Strategic Plan is the guiding document for government. It is the umbrella plan under which the ministry's Service Plan aligns. The government's vision: "British Columbia is a prosperous and just province, whose citizens achieve their potential and have confidence in the future". Within the vision are three strategic goals: A strong and vibrant provincial economy; A supportive infrastructure; and Safe, healthy communities and a sustainable environment.

The ministry, like government, will operate in an innovative, enterprising, results-oriented and accountable manner. As such, the following managerial principles of government apply to the Ministry of Water, Land and Air Protection:

- High standards of accountability, consultation and ethics
- Focused and efficient delivery of government services
- Social and fiscal responsibility
- Open and transparent government
- An innovative and goal-oriented public service.

The government places a high priority on encouraging a strong, private-sector economy that maintains high environmental standards and displays exemplary environmental stewardship. This responsibility for environmental stewardship is shared across all government ministries.

A Year of Transition

Central to the many changes being experienced by all corners of government operations over 2001-2002 was the Core Services Review process. One of the results of this substantive government-wide exercise was a refinement of the services that the Ministry of Water, Land and Air Protection would provide to the public.

The Core Services Review Process

In common with other ministries whose mandate proceeds from recent government restructuring, one of the ministry's first tasks has been to develop the policies, plans and internal structures needed to carry out its new mandate and, concurrently, to improve its processes for environmental management and protection, monitoring and enforcement.

To that end, a small Mandate Implementation Team of senior staff was formed in July to provide advice on the functions flowing from the ministry's mandate and how to carry them out. By mid-August the team had completed a draft Policy Framework, which identified the ministry's vision, mission and goals; clarified its client service and public interest roles; set out guiding principles; described its core functions; and the strategic shifts, approaches and actions needed to perform its work effectively.

This work brought together a number of critical initiatives, including the government's Core Review, the ministry's legislative and regulatory reviews, and business reviews which had already begun in key program areas. It also formed the foundation of the ministry's new *Service Plan for 2002/2003 – 2004/2005*, released in February 2002.

The Core Review was carried out in two phases. Phase one examined the mandate of the ministry and the changes needed to deliver that mandate within the priorities established by government. In Phase 2, a detailed analysis of all aspects of the ministry's business and its related agencies was carried out to assess the effectiveness of the existing organizational and service delivery models, and identify opportunities for improved efficiency and accountability.

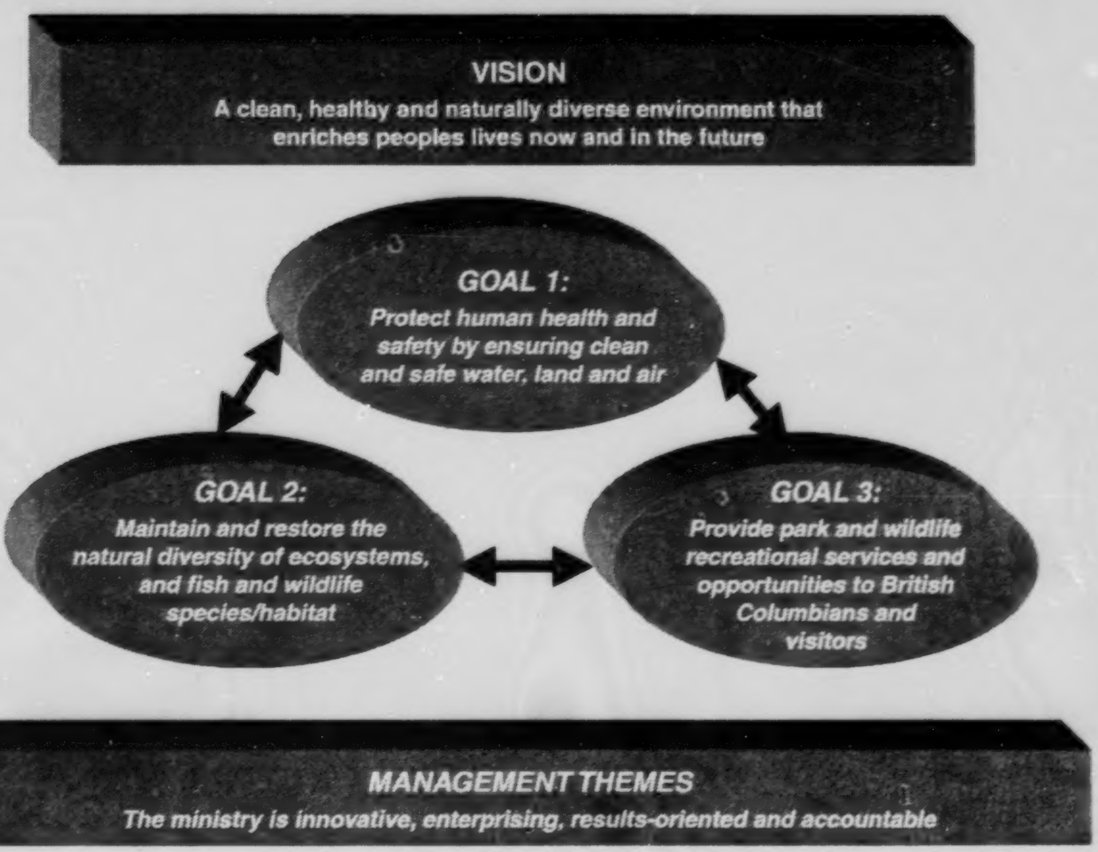
Strategic Shifts

The ministry's challenge is to achieve its mandate with substantially fewer ministry staff and funds. The Core Services Review Process assisted the ministry in affirming the shifts necessary over the next three years to realize its mandate. The ministry identified the need to change its business methods to reduce its own costs, reduce the costs incurred by those who must meet environmental standards, reduce conflicts and litigation, eliminate service backlogs and focus efforts in areas where there is the greatest risk to human health and the environment. These changes are intended to achieve continuous improvement in both the management of ministry resources and in the environmental quality of the province. These strategic shifts are outlined in Table 1 below.

Table 1 – Strategic Shifts in Water, Land and Air Protection

FROM	TO
Ministry as sole protector of the environment.	Shared stewardship – sharing responsibility for the environment with others as appropriate and emphasizing a ministry staff culture of client service.
Prescriptive approaches using prohibitions and controls.	Setting appropriate environmental standards, and ensuring standards are met.
Unclear accountability for environmental results.	Clear roles for ministry, industry and other stakeholders in the gathering and reporting of environmental information and achieving environmental objectives.
Well-developed but single-focus ministry initiatives.	Integrated ministry program delivery based on best available science and an ecosystem-based approach.
Constraints on economic development.	Economic development that achieves reasonable environmental outcomes, with discretion as to how to achieve these outcomes.
Proprietary information belonging to government.	Public information made available in a transparent, timely and accessible manner.

The New Ministry of Water, Land and Air Protection



VISION

A clean, healthy and naturally diverse environment that enriches peoples lives now and in the future

GOAL 1:

Protect human health and safety by ensuring clean and safe water, land and air

GOAL 2:

Maintain and restore the natural diversity of ecosystems, and fish and wildlife species/habitat

GOAL 3:

Provide park and wildlife recreational services and opportunities to British Columbians and visitors

MANAGEMENT THEMES

The ministry is innovative, enterprising, results-oriented and accountable

Vision

The ministry's Vision is consistent with that of the broader government. The ministry's vision is a clean, healthy and naturally diverse environment that enriches people's lives, now and in the future.

Principles

The Principles drafted by the ministry following its reorganization in January 2002 were:

1. A sustainable environment is central to providing economic and social opportunities for all British Columbians.
2. A sustainable environment requires setting common goals and taking concerted action in partnership with all elements of society — government, business, industry and citizenry.
3. Strategic planning, well-defined outcomes, clearly established accountability procedures and transparent reporting on performance define our management model.
4. Science-based knowledge and risk-based priority setting informs our actions.

5. Ministry services focus on the needs of our clients and are delivered in a transparent, fair, timely and consistent manner.
6. Professional accountability and discipline characterize our behaviour.

Core Business Areas

The Ministry of Water, Land and Air Protection has three core business areas:

- **Environmental Protection** of air, water and land quality;
- **Environmental Stewardship** of biodiversity, including wildlife, fish and protected areas; and
- **Park and Wildlife Recreation** management, including hunting, angling, park recreation and wildlife viewing.

Goals and Objectives

The ministry's goals and objectives have been refined over the course of the year to guide ministry operations into the future. As stated in the *Ministry of Water, Land and Air Protection Service Plan 2002/2003 – 2004/2005*, they are in line with the above core business areas:

Goal 1: Environmental Protection — Protect human health and safety by ensuring clean and safe water, land and air.

- Clean Air and Climate Change — Limit air pollution and contribute to meeting global atmospheric objectives.
- Clean Water — Ensure safe, high-quality drinking water and reduce effluent discharges that impact water quality.
- Land Protection — Reduce/remove toxins and wastes that contaminate land.
- Environmental Emergencies — Readiness to respond to high-risk environmental emergencies.

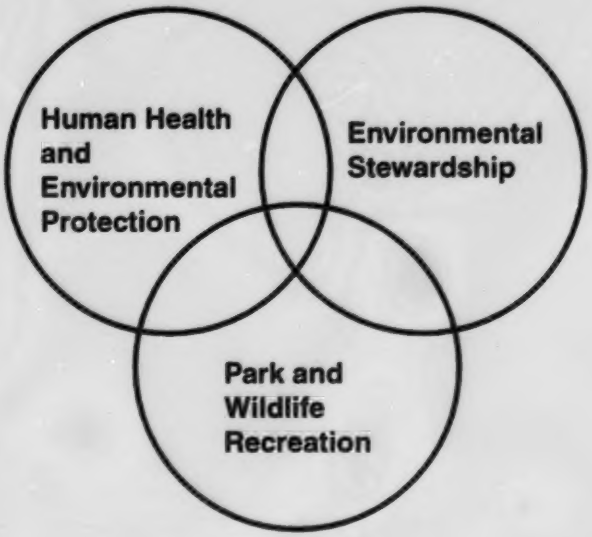
Goal 2: Environmental Stewardship — Maintain and restore the natural diversity of ecosystems, and fish and wildlife species and their habitats.

- Species at Risk — Identify, protect and restore species at risk and their habitat.
- Wildlife and Wild Fish — Manage and protect fish, wildlife and their habitat.
- Habitat Conservation — Manage conservation in parks and protected areas system.
- Sustainable Development — Assist industry, local government and business to develop sustainably.

Goal 3: Park and Wildlife Recreation — Provide park and wildlife recreational services and opportunities to British Columbians and visitors.

- Hunting, Angling and Wildlife Viewing Opportunities — Manage/allocate fish and wildlife for angling, hunting and viewing, and provide wilderness recreation opportunities.
- Parks Recreation — Provide, through private operators, camping and day use in parks.

Organization, Roles and Responsibilities


Human Health and Environmental Protection
Environmental Stewardship
Park and Wildlife Recreation

Corporate Services

Senior Executive/ Senior Management Committee

Planning, Innovation and Enforcement Division

Corporate Services Division

Senior Executive

The role of Senior Executive is to provide strategic leadership for the ministry. The Deputy is accountable for the full range of the ministry's mandate. The Assistant Deputy Ministers (ADMs) are the operational heads of their Divisions. They are accountable for the delivery of the full range of the Division mandate from policy and program development to regional delivery. They are also accountable to ensure there is cross-division and interministry co-operation on areas of shared concern in environmental management.

Environmental Protection Division

The focus of the Environmental Protection Division is protection of human and environmental health.

Key objectives include:

- Improved air quality
- Effective action to reduce greenhouse gas emissions
- Improved surface and groundwater quality, including drinking water sources
- Renewed provincial framework for reducing/removing toxics and waste that contaminate land, air and water, and responding to high risk environmental emergencies
- Shared environmental stewardship

Environmental Stewardship Division

The role of the Environmental Stewardship Division is to develop, promote and measure achievement of provincial goals for the conservation of living resources, to manage protected areas, and to provide park and wildlife recreational services and opportunities for British Columbians and visitors.

Key objectives include:

- Manage and conserve the province's biodiversity
- Protect species at risk
- Protect and restore BC's watersheds
- Protect fish and wildlife species and their habitat
- Stewardship of parks and protected lands
- Provide park and wildlife recreation

Planning, Innovation and Enforcement Division

The Planning, Innovation and Enforcement Division provides corporate services that assist the ministry to deliver on its goals and objectives, achieve its strategic shifts and deliver on its commitment to improved planning and accountability.

The Division works closely with the other ministry Divisions and the Ministry of Sustainable Resource Management to ensure negotiated service agreements provide the required information systems operations to the Environmental Protection and Environmental Stewardship Divisions. The Division also manages policy and legislation, provides enforcement services, assists the ministry in developing partnerships with other government agents, business, industry and other nongovernment organizations and provides policy advice on the development and management of ministry trust funds.

Key objectives include:

- Improved planning, monitoring and reporting
- Sound policy and legislation
- Increased use of science, shared stewardship and improved sustainability in government
- Enforcement of environmental standards

Divisional Operations

The ministry has its headquarters in Victoria and most of its staff in regional offices across the province. There are nine regions in the province: Vancouver Island, Lower Mainland, Thompson, Okanagan, Kootenay, Cariboo, Skeena, Omineca and Peace. Regional staff of the three divisions are co-located to encourage co-operation and efficiencies. There are also small Area Offices in many locations across the province to provide a visible presence, enforcement and park operations capacity in local areas.

Staff will achieve ministry goals and objectives through the development of science-based policy, legislation, regulations, codes of practice, environmental contracts and covenants; setting standards (both ambient and for discharges and emissions); monitoring for achievement of standards; and, publicly reporting the results.

Ministry staff will also concentrate on building relationships with other ministries and agencies, business and industry, local government, environmental and stewardship groups, First Nations and others.

Corporate Services Division

The Corporate Services Division manages the finance and administration, human resources, information technology and internal communications support services for the agencies that it serves. In January 2002, the division began implementation of a shared services model for the provision of these services to the Ministry of Sustainable Resource Management, Water, Land and Air Protection, the British Columbia Assets and Land Corporation, the Environmental Assessment Office, and the Land Reserve Commission. The Division will also provide advice on integration with shared services government-wide.

The reader is directed to the forthcoming section on **Performance Reporting** for a sense of those ministry performance measures and targets aligned with the ministry's goals and objectives. The legislation requirements that help to define the responsibilities of the Ministry of Water, Land and Air Protection are outlined in Appendix B.

Update on *New Era* Commitments

The *New Era* document, which outlined the government's 2001 election policy platform, contained many far-reaching policy objectives. This section describes the ministry's progress in implementing key commitments confirmed by the government on taking office on June 5, 2001 in the following ways:

1. A *New Era* for British Columbia is the document in which the government laid out its future plans for the province.
2. The Premier's Letter of June 25, 2001, addressed to each member of Cabinet, elaborated on the government's goals and objectives and identified key projects for which each minister would be accountable.
3. Other Ministry Priorities beginning in 2001/02 as identified by the Minister.

1. A *New Era* for British Columbia

The *New Era* document commits the ministry to working with the Ministry of Sustainable Resource Management to adopt a scientifically based, balanced and principled approach to environmental management that ensures sustainability, accountability and responsibility. The longer term planning and restructuring undertaken to meet this goal and achieve the accompanying strategic shifts is summarized above in the section *Ministry Role and Services*, as well as in the ministry's Core Review and Service Plan documents. During the year, the ministry worked to meet the following specific *New Era* commitments.

Comprehensive groundwater and drinking water legislation:

Legislation was enacted in 2001 (but not proclaimed) to ensure protection of drinking water in a manner that responds to the needs of provincial residents and achieves the highest performance standards. Groundwater legislation was passed at the same time. In September 2001, a nine-member Drinking Water Review Panel was appointed to review the *Drinking Water Protection Act* and new groundwater provisions. The Panel released its final report on February 13, 2002 and recommended the Act be brought into force together with a relatively limited number of amendments.
The Government is reviewing the Panel's recommendations.

As well, $1.5 million was added to the ministry's budget during 2001/02 for water quality monitoring and protection of field capability for dealing with drinking water source quality. A similar amount will be provided for this work in 2002/03.

Lifting the blanket moratorium on grizzly bear hunting:

On July 16, 2001, the blanket moratorium was replaced with regional moratoriums, providing for a limited hunt in September 2001 and spring 2002. A scientific review panel (the "Grizzly Bear Scientific Panel") was appointed to review and comment on grizzly harvest management practices. The panel released an interim report on February 8, 2002 and will present its final report in December 2002.

Opposing the Sumas II power project:

In August, the Washington State Energy Facility Site Evaluation Council granted British Columbia's request for intervenor status in hearings for this proposed power plant, which would affect air quality and public health in the Fraser Valley. The ministry worked with legal counsel in presenting British Columbia's case.

Ensuring decisions on new parks are made in public:

Cabinet approval for proceeding on a federal-provincial agreement and funding for a new national park in the Gulf Islands was approved in the government's first Open Cabinet session on June 27, 2001.

Proposed Living Rivers Act:

The government committed to pass a *Living Rivers Act* to protect and improve the province's river systems with scientifically-based standards for watershed management, enhancements to fish habitat, and a ten-year program to correct past damage.

Working with the Ministry of Sustainable Resource Management, Water, Land and Air Protection has begun to analyze and review options and prepare recommendations for public review during 2002, targeting implementation of an integrated strategy by 2004. The Ministry of Water, Land and Air Protection has created the Living Rivers Section within the Biodiversity Branch to lead the initiative.

Streamlining the Forest Practices Code:

The government committed to streamline the Forest Practices Code to establish a workable, results-based Code, with tough penalties for non-compliance. The ministry worked closely with the Ministries of Forests and Sustainable Resource Management on Forest Practices Code revisions and consultations.

Other New Era environmental commitments:

During the year, the government reconfirmed its commitment to maintain legislation banning bulk exports of water from British Columbia, and to ensure mining or logging is not permitted in parks.

2. Priorities from the Premier's Letter

Legislative Review:

The ministry began working during the year to identify areas for regulatory improvement to ensure high environmental standards, improve effectiveness, ensure clarity and simplicity, provide opportunities for innovation and partnership, move to performance-based regulation, reduce regulations and increase public openness and accountability.

The government's Deregulation Initiative, led by the Deregulation Office in the Ministry of Competition, Science and Enterprise, was launched to fulfill the *New Era* commitment to reduce red tape and regulation by one third within three years.

The first step towards implementing the Deregulation Initiative was the completion by all government ministries of a count of the total number of regulatory requirements contained in the government's legislation, regulations, and ministry policies used to interpret legislation and regulations. The Ministry of Water, Land and Air Protection determined that its baseline regulatory count as of June 5, 2001 was 10,212 requirements.

The Ministry has prepared a set of three-year deregulation plans to initiate the process of reducing the regulatory counts in selected program areas, in order to achieve the goal of reducing the Ministry's baseline regulatory count by one third by 2004/2005.

Providing support to the Ministry of Sustainable Resource Management:

The mandates of the ministries of Water, Land and Air Protection and of Sustainable Resource management are complementary: both support the government's vision of a thriving economy that maintains high environmental standards and respects the strong environmental values of British Columbians.

The ministries are linked across a number of programs that require ongoing coordination (e.g., information systems planning; data management coordination and sharing), as well as a number of projects that required coordinated staff effort across both ministries (e.g., Results-based Forest Practices Code).

Protect and Preserve Burns Bog:

Consistent with the *New Era* Commitment, the province has been in negotiations to purchase Burns Bog. Details of the negotiations cannot be released as both parties are operating under a confidentiality agreement. The province is supported in its negotiations by the federal government, the Greater Vancouver Regional District and the Corporation of Delta.

Appointment of a Chief Scientist:

The ministry is shifting to integrated program delivery based on the best available science and an ecosystem-based approach. To achieve this challenging directive, the ministry considered the appointment of a Chief Scientist to advise government on matters relating to the availability, reliability and credibility of scientific information. The ministry established an internal Science Committee to promote extensive discussion of, and timely access to, invaluable scientific information. The ministry is also preparing recommendations for the establishment of an external science panel which will advise and strengthen connections with post-secondary institutions around the province.

Environmental Excellence in Government:

This renamed Sustainability in Government Initiative is championed by the ministry but the activities are undertaken by many agencies across government. Sustainability in Government activities in 2001-2002 were focused on achieving results in the areas of Green Buildings, the vehicle fleet, and promotion of eco-efficiency to the general public through a website.

The Government of British Columbia achieved a Gold Level Reporter status award this year for its Voluntary Challenge Progress Report. This report outlined the government's target and achievements in reducing greenhouse gas emissions from government operations, government funded infrastructure and the general public for fiscal year 2000/01. Specific initiatives for 2001/02 included the delivery of greener government vehicles (40% of the lease order, including 60 hybrid vehicles), and BCBC energy management activities for buildings (including operator training and positioning to undertake future retrofits).

Forums/conferences were also held during 2001/02 to promote increased market share for environmentally responsible products and ventures. The green venture forum created the opportunity for investors, venture capitalists and interested businesses to participate in information sessions, discussions and a trade fair to encourage expansion of businesses based on principles of sustainability.

Review of water legislation:

See above under *New Era* Commitments.

Improvement plan for threatened airsheds:

The Ministry has in place a number of initiatives to protect air quality and work with specific communities, including Canada, the Greater Vancouver Regional District (GVRD), and the United States on transboundary airshed planning and management. During the year, work proceeded on the development of an airshed planning framework for the province, which will encompass renewed agreements with Canada and local governments on monitoring, and the actions needed to identify critical airsheds and ensure their protection.

3. Other Ministry Priorities

Climate Change:

The ministry, as lead, and the Ministry of Energy and Mines, were actively involved in climate change discussions with the federal government and other provinces. In February, the minister hosted a joint meeting of the federal, provincial and territorial energy and environment ministers, dealing with the key policy choices that need to be made before a federal decision can be made on ratification of the Kyoto Protocol.

The province is committed to taking effective provincial emission reduction actions that maximize both economic and environmental benefits to British Columbia over the long term. Work during 2001/02 focused on economic analyses of the implications of the Kyoto Protocol and the development of policy options as part of a national process for meeting Canada's target emission reduction. As well, a study of the impacts of climate change in British Columbia over the past century was undertaken. *Indicators of Climate Change for British Columbia 2002* was released in March 2002, based on analysis of historical natural data carried out for the ministry by the Canadian Institute for Climate Studies at the University of Victoria.

Pulp Mill AOX Regulation:

The ministry prepared a two-part action plan: (Phase 1) review the requirement that AOX (Adsorbable Organic Halides, including chlorinated organic) discharges from British Columbia pulp mills be reduced to zero, and (Phase 2) develop a comprehensive regulation for pulp mill discharges. In Phase 1, an independent scientific advisory panel was appointed in December 2001 to carry out the review, and had formulated its recommendations by March 2002.

The Phase 1 goal is to have an amended regulation that has a scientifically based standard for AOX discharges from pulp mills, similar to other North American jurisdictions. Phase 2 has become part of a larger comprehensive review of the *Waste Management Act*, positioning to make more substantive changes in the ministry's legislative requirements of, and relationships with, many of its key stakeholders, including the pulp and paper industry.

Re-assessment of the implementation of Streamside Protection Directives:

A review by an external stakeholder advisory committee was undertaken to determine what revisions to the regulation, guidelines or implementation strategy might be necessary to ensure protection of fish while respecting private property interests. The goal is an effective, local government driven, results-based approach to fish protection that is harmonized with federal government requirements and supported by stakeholders and the public.

Regulation of Contaminated Sites:

The ministry has been reviewing the regulation of contaminated sites and, with stakeholder input, considering the amendments needed to ensure greater efficiency, effectiveness and use of the best available science. Second stage amendments updating the process for site cleanups were introduced in February 2002, and amendments to the regulation of contaminated mine sites were passed in May 2002. An external panel of experts supported by ministry staff was appointed to develop a new contaminated sites regime by mid-2003.

One hundred and thirty-nine (139) sites were reported cleaned up to provincial human health and environmental protection standards of the Contaminated Sites Regulation in 2001. This brings the total to 1,332 sites reported cleaned up since the ministry started collecting data in 1988.

Ministry process improvements:

As part of the ministry's Core Review, a number of areas were considered for more detailed examination. These included harmonizing federal/provincial environmental processes, public electronic reporting, an electronic permitting process, cost recovery and fees for use of recreational opportunities, and market based pricing. A number of reviews were completed within the fiscal year (e.g., streamlined ministerial correspondence process) or are more substantive and still underway (e.g., a new model for fish, wildlife and habitat recreational services, including a review of fees and licences).

New model for fish, wildlife and habitat recreation services:

As a result of ministry efforts during the Core Review process, the Recreation Stewardship Panel was named in spring 2002. This panel of experts will make recommendations for a new management model for angling, hatcheries, hunting and park recreation that connects fees with services and opportunities and allows greater public involvement in decision making. The ministry's goal is to improve freshwater angling, hunting, wildlife viewing and park recreation services and benefits in British Columbia in a way that creates new opportunities for everyone — local communities, tourism operators, small businesses, First Nations and the public.

Biodiversity Strategy:

The ministry is taking the lead in developing a biodiversity strategy for British Columbia that will serve as a common framework for guiding and coordinating government, private sector and public activities to conserve biodiversity, including actions necessary to protect species at risk.

New Era Commitments in 2002/03-2004/05 Service Plan

The following *New Era* Commitments have been included in the Ministry's 2002/03 – 2004/05 Service Plan:

- **Acquire and protect Burns Bog** — The ministry is working, through the Ministry of Finance, with landowners on purchase negotiations.
- **Living Rivers Strategy** — The ministry is working with the Ministry of Sustainable Resource Management on practical programs to improve British Columbia's river systems with scientifically-based standards for watershed management, and on developing a common vision and effective partnerships for management, enhancement and restoration of fish habitat.
- **Comprehensive groundwater legislation** — The ministry is working with the Ministry of Health Planning on an action plan to improve the protection of drinking water from the source to the tap.
- **Oppose Sumas II power project** — The ministry is continuing work with legal counsel in presenting British Columbia's case to Washington State.
- **Maintain ban on bulk water exports** — The government has publicly committed to maintain the legislation establishing the ban.
- **Streamline Forest Practices Code** — The ministry is working closely with the Ministries of Forests and Sustainable Resource Management on Forest Practices Code revisions.

Performance Reporting

Although a good part of the ministry's focus over the fiscal year has been on reorganizing its operations and its relationships with some of its key partners, the ministry has also made solid progress in achieving its strategic goals and objectives.

The three core business areas of the Ministry of Water, Land and Air Protection are: Environmental Protection of air, water and land quality; Environmental Stewardship of biodiversity, including wildlife, fish and protected areas; and Park and Wildlife Recreation management, including hunting, angling, park recreation and wildlife viewing. The following section highlights key performance and environmental indicators related to the ministry's three core business areas. They provide the reader with an insight into the state of the environment and an important snapshot of the extent over 2001-2002 to which the ministry has been working towards enhancing both environmental integrity and recreational opportunities for all British Columbians.

Collectively, these measures help ensure that ministry plans and decisions are based on an increasingly holistic view of performance. In some cases, targets for the following performance measures have been met, in others, progress continues to be made on longer term initiatives, and on still others, progress towards a stated target fell somewhat short, with reasons explained in the accompanying text.

Many of the outcome performance measures, however, represent long-term results relating to the ministry mandate that are beyond the sole control of the ministry. Achieving these outcomes will require stewardship efforts across provincial ministries and by other governments and businesses, as well as significant public behavioural changes.

The *Ministry of Water, Land and Air Protection Service Plan: 2002/03 – 2004/05* provides a more complete picture of the ministry's public performance commitments for the next three years. Over the next three years, the ministry will work progressively and conscientiously towards strengthening the link between mandate, performance targets and public accountability.

Performance Highlights

GOAL — ENVIRONMENTAL PROTECTION — Protect human health and safety by ensuring clean and safe water, land and air.

Performance Measures	2001/2002 Target	2001/2002 Actual	Variance
Number of waste discharges relying solely on permit authorizations (see page 22).	2,500	3,132	-632; comprehensive review of WMA underway
Municipal/industrial sectors for which the ministry has established clear, up-to-date performance expectations (see page 22).	New composting, aquaculture and AOX standards in place by March 31, 2002	Organic matter recycling regulation in place and environmental standards for aquaculture industry developed; AOX standards anticipated Fall 2002	Awaiting final review of proposed AOX standards
Percentage of communities where airshed plans are initiated or underway (outside GVRD, and with known air quality problems) (see page 23).	30% (eight) of communities	30% (eight) of communities	Target met
Number of $PM_{2.5}$ monitors deployed (see page 24).	Additional four monitors per year	Eight monitors deployed	Target exceeded by four monitors
Percentage of communities meeting the provincial air quality objective for PM_{10} of 50 ug/m^3 (24-hr average) (see page 25).	55% of communities (based on 1998-2000 average)	No change (based on incomplete data)	Target met
Greenhouse gas emissions from government operations (see page 26).	Reduce by 16% between 2000 and 2005	Estimated on target	None
Number of aquifer protection projects supported (see page 27).	Three aquifer projects completed by 2001	Partially achieved through completion of two draft plans and other related initiatives	Projects are led by communities and are in various stages of development
Number of aquifers identified and classified (see page 28).	50 aquifers	113 aquifers	Target exceeded
Testing and trends for nitrates in groundwater (see page 28).	Maintain monitoring capacity in three critical areas	Annual monitoring completed in three critical areas	Target met
Number of water quality guidelines (new or updated) developed (see page 29).	Five new or updated guidelines completed by 2001	Four guidelines	One guideline under target
Percentage of Pest Management Plans in place compared to total pesticide use authorizations (see page 31).	At least 3%	6.9%	Target exceeded

Performance Measures	2001/2002 Target	2001/2002 Actual	Variance
Percentage of scrap tires diverted from municipal landfills (see page 31).	81% or 3.4 million	81%	Target met
Number of toxic spill emergency response plans tested (Ministry plans, Industrial plans, Response agency plans) (see page 32).	Ministry plans: one approved, zero tested	Ministry plans: zero approved, zero tested	Under target by one plan
	Industrial plans: two tested	Industrial plans: three tested	Target exceeded by one plan
	Response agency plans: two of three tested	Response agency plans: two of three tested	Target met

GOAL — ENVIRONMENTAL STEWARDSHIP — Maintain and restore the natural diversity of ecosystems, and fish and wildlife species and their habitat.

Performance Measures	2001/2002 Target	2001/2002 Actual	Variance
Percentage of new protected areas that are Order-in-Council or legislation ready within two years of areas' announcement (see page 33).	100% over two years	51 of 82 in first year	On target
Number and percentage of protected areas with approved management direction (see page 34).	130 protected areas (16%)	226 protected areas (28%)	Target exceeded
Number of responses to known significant threats in protected areas (see page 35).	130 responses or actions in protected areas	191 projects responding to known significant threats in protected areas completed or initiated	Increased focus on conservation management allowed more projects to be undertaken
Number of monitoring projects carried out on forestry, range and other land use activities (see page 37).	Seven projects carried out	Seven projects at various stages	Target primarily met
Number of established Wildlife Habitat Areas (see page 37).	50 established	65 established	Target exceeded
Number of Wildlife Management Areas (WMAs) proposed and ready for Order-in-Council stage (see page 38).	An additional two WMAs prepared	Three new WMAs designated; two additions to existing WMAs	Target exceeded

Performance Measures	2001/2002 Target	2001/2002 Actual	Variance
Number of watershed-based fish sustainability plans initiated and completed for key watersheds (see page 40).	— Rivers Inlet Level II plan completed by 2001. — 1 government-led regional (basin) scale and 1 watershed-level plan initiated	— Rivers Inlet Level II still in the initiation stage — 1 government-led regional (basin) scale and 11 watershed-level plans initiated	— Initiation rather than completed — Target exceeded
Number of species and ecosystems at risk covered by recovery plans (see page 42).	An additional 10 species and ecosystems covered	0 complete; 4 near completion	-10; recovery efforts underway

GOAL — PARK AND WILDLIFE RECREATION — Provide park and wildlife recreational services and opportunities to British Columbians and visitors.

Performance Measures	2001/2002 Target	2001/2002 Actual	Variance
Angler participation rate (see page 43).	Maintain 292,600 resident and 73,600 non-resident licences (1995-1999 5-year average)	297,339 resident and 82,312 non-resident angling licences sold	Target exceeded
Number of hunter days (see page 44).	990,000 resident and 58,000 non-resident hunter days	1.05M resident and 53,000 non-resident hunter days	+ 60,000 resident and - 5,000 non-resident hunter days
Number of recorded visits to BC Parks (see page 45).	23 million visitors	23.3 million visitors	+ 300,000
Park visitor satisfaction with campground facilities and services (see page 45).	75% (based on five campground management items)	82%	Exceeded target by 7%

ENVIRONMENTAL PROTECTION

Goal: Protect human health and safety by ensuring clean and safe water, land and air.

The performance measures and targets for this goal are primarily organized below by the related ministry objectives: Clean Air and Climate Change, Clean Water, Land Protection, and Environmental Emergencies.

Authorizations for Waste Discharges

The ministry is shifting from a longstanding prescriptive individual site permitting approach for prohibiting and controlling industrial and municipal waste discharges towards clear environmental standards established by regulations with a province-wide sector scope. The *Waste Management Act* (WMA) is one of the major pieces of ministry legislation, and accounts for a range of environmental standards, permits and other authorizations required to be adhered to by numerous industry sectors across the province.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of waste discharges relying solely on permit authorizations.	2,500	3,132	-632; comprehensive review of WMA underway

Performance measure and target

Reduce ministry's use of permit authorizations from 3,400 in 1998 to 2,500 by March 2002.

Progress during 2001/02

- The 3,132 present permits under the WMA represent: 736 air, 1,453 effluent, 696 refuse, and 247 special waste permits.
- Since its high of 3,400 permits in 1998, the ministry has been able to reduce the need for 268 authorizations.
- The ministry is presently undertaking a larger and more comprehensive review of the *Waste Management Act*. Once completed, it is anticipated that the 2001/2002 target will be easily met, if not surpassed.

Clear municipal/industrial sector environmental standards

The ministry is changing its business methods to reduce its own costs, reduce the costs incurred by those who must meet environmental standards, reduce conflicts and litigation, eliminate service backlogs and focus efforts in areas where there is the greatest risk to the environment. Providing clear and up-to-date environmental standards for the municipal and industrial sectors across the province establishes greater certainty and a more efficient relationship between the ministry and some of its key stakeholders. Three examples of this shift in ministry efforts are new composting, aquaculture and AOX standards for the province.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Municipal/industrial sectors for which the ministry has established clear, up-to-date performance expectations.	New composting, aquaculture and AOX standards in place by March 31, 2002	Organic matter recycling regulation in place and environmental standards for aquaculture industry developed; AOX standards anticipated Fall 2002	Awaiting final review of proposed AOX standards

Performance measure and target

New composting, aquaculture and AOX standards in place by March 31, 2002.

Progress during 2001/02

- Composting — In February 2002, a new Organic Matter Recycling Regulation was introduced, strengthening human health standards, eliminating costly permitting processes, and making British Columbia the first jurisdiction in North America to limit the use of recycled organic materials in drinking water watersheds.
- Pulp Mills — In December 2001, an independent scientific advisory panel was appointed to review the requirement for AOX discharges at British Columbia pulp mills to be reduced to zero. The independent scientific advisory panel submitted its final report in March 2002.
- Aquaculture Industry — In August 2001, a preliminary review of seabed monitoring data in British Columbia's salmon aquaculture industry, including an inventory of waste management measures from 94 salmon farms, was released as a further step toward the development of new aquaculture waste regulations for fish farms.

Objective — Clean Air and Climate Change — Limit air pollution and contribute to meeting global atmospheric objectives.

Airshed Planning

Airsheds are geographical areas in which air quality is a function of the same sources, weather and topography. Where airsheds contain a complex mix of sources falling under different levels of government, airshed planning can be a valuable air management tool. Airshed planning takes a multi-pollutant, multi-source approach to addressing local air quality issues by engaging all relevant stakeholders, including multiple levels of government, industry, health authorities, academia and the public.

Improving air quality in threatened airsheds is a key strategic priority for this ministry. The province is a strong advocate of airshed planning, and has been working in partnership with communities such as Prince George, Williams Lake, Quesnel, Kelowna, the Bulkley Valley, Golden, the Greater Vancouver Regional District and the Fraser Valley Regional District.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Percentage of communities where airshed plans are initiated or underway (outside GVRD, and with known air quality problems).	30% (eight) of communities	30% (eight) of communities	Target met

Performance measure and target

30% of communities (eight) where airshed plans are initiated or underway (outside GVRD, and with known air quality problems).

Progress during 2001/02

- The target is being met, with a total of 30% of communities (eight) having airshed plans that are initiated or underway (outside of the GVRD, and with known air quality problems).
- The North Okanagan Regional District voted in February to immediately begin an airshed planning process, based on the model used in Kelowna.
- Provincial efforts are currently focused on improving understanding of $PM_{2.5}$ sources and levels, and developing a framework for airshed planning that can be applied to threatened airsheds throughout the province, and to helping keep clean areas clean.

Particulate Matter ($PM_{2.5}$ and PM_{10}) Monitoring

Particulate matter (or PM) is the most important outdoor air contaminant in British Columbia from a human health perspective. Exposure to particles smaller than ten µm (PM_{10}) can affect breathing, aggravate existing respiratory and cardiovascular disease, alter the body's defence systems and damage lung tissue, contributing to cancer and premature death. Those particles smaller than 2.5 µm are believed to pose the greatest health risk. Even very low concentrations of PM_{10} and $PM_{2.5}$ are linked to health impacts.

PM originates from a variety of natural and human-related sources such as factories, power plants, cars, construction activity, fires and windblown dust. It is also formed in the atmosphere from the reactions involving various gases. The provincial air quality objective for PM_{10} is 50 $\mu g/m^3$ (24h avg.). The Canada-wide Standard (CWS) for $PM_{2.5}$ is 30 $\mu g/m^3$ (24h avg.), based on the annual 98th percentile value averaged over three consecutive years. Currently, most PM monitoring in the province is for PM_{10}. However, the provincial network is being expanded to include more $PM_{2.5}$ monitors.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of $PM_{2.5}$ monitors deployed.	Additional four monitors per year	Eight monitors deployed	Target exceeded by four monitors

Performance measure and target

An additional four $PM_{2.5}$ monitors deployed, building on 2000/01 baseline of 17 (13 provincial, three Greater Vancouver Regional District (GVRD), one permittee).

Progress during 2001/02

- A further eight (8) PM$_{2.5}$ monitors have been deployed since the baseline was established, meeting the 2002/03 target. Of the eight additional monitors, three are provincial, two are GVRD, and three are permittee.
- While British Columbia's network of PM$_{10}$ air quality monitors provides relatively good coverage of populated areas, there are relatively few PM$_{2.5}$ air quality monitoring stations collecting data to determine whether British Columbia will meet the Canada Wide Standard for PM$_{2.5}$, and to help determine the extent of the threat to health and visibility in many British Columbia airsheds.
- As well as establishing additional stations, work has been done to evaluate the relationship between PM$_{2.5}$ and PM$_{10}$. Specialized studies have been proposed to better understand the chemical composition of PM$_{2.5}$, and to use this information to identify major contributors to ambient levels. Techniques to identify such sources are currently being examined.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Percentage of communities meeting the provincial air quality objective for PM$_{10}$ of 50 µg/m^3 (24-hr average).	55% of communities (based on 1998-2000 average)	No change (based on incomplete data)	Target met

Performance measure and target

55% of communities meeting the provincial air quality objective for PM$_{10}$ of 50 µg/m^3 (24-hr average), based on 1998–2000 average).

Progress during 2001/02

- PM$_{10}$ data for 2001 are not yet fully available for all monitoring sites in the province. Outstanding data are not expected to be available for the preparation of this report.
- Where 2001 data are available, there has been no increase in the number of stations failing to meet the PM$_{10}$ air quality objective of 50 µg/m^3 (24-hr average).
- Although the PM$_{10}$ air quality objective lies within the range of concentrations where health impacts are expected, achievement of the objective will result in air quality improvements and a reduction in PM$_{10}$-related health risks in those communities where exceedances are currently observed. Achievement of the 55% target will help to prevent further degradation of air quality. Given the greater health concerns over PM$_{2.5}$, a shift to a PM$_{2.5}$-based performance measure may be necessary in the future, as more PM$_{2.5}$ data becomes available.
- Provincial efforts are currently focused on improving understanding of PM$_{2.5}$ sources and levels, and developing a framework for airshed planning that can be applied to threatened airsheds throughout the province, and to helping keep clean areas clean.
- CWS implementation strategies will be considered under the threatened airsheds initiative.
- The province continues to support airshed planning activities in a number of British Columbia communities such as the Greater Vancouver Regional District, the Fraser Valley Regional District, Prince George, Quesnel, Williams Lake, Kelowna and Golden.
- British Columbia remains a national leader in cleaner transportation issues, such as the updating of AirCare and the introduction of a new fuel tax exemption for diesel alternatives in 2001.

Greenhouse gas emissions from government operations

The British Columbia provincial government is one of British Columbia's largest enterprises in operational terms. In the fiscal year ending March 31, 2001, greenhouse gas emissions from government buildings and vehicles (excluding Crown corporations) were estimated at 131,825 tonnes of carbon dioxide equivalent. This represented 0.2% of total emissions in the Province of British Columbia.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Greenhouse gas emissions from government operations.	Reduce by 16% between 2000 and 2005	Estimated on target	None

Performance measure and target

Reduce by 16% between 2000 and 2005 greenhouse gas emissions from government operations.

Progress during 2001/02

- Significant steps continue to be taken on many fronts to reduce greenhouse gas emissions. These included:
  - — 40% of lease orders for the 2001 government fleet were for alternative fuel vehicles or "greener" vehicles. This includes 60 hybrids, which at the time was the largest order by any organization in Canada.
  - — A 4% reduction in government building energy use was achieved through increased energy efficiency measures.
  - — Seven photovoltaic systems, one solar heating system and one micro-hydro project were installed to replace diesel generation in parks throughout the province. A photovoltaic system was installed in one government office building.
- These and other activities are anticipated to reduce greenhouse gas emissions to 113,000 tonnes CO_2EQ (equivalent) per year by 2005, approximately 6% below 1990 and 16% below 2000 levels.

M121

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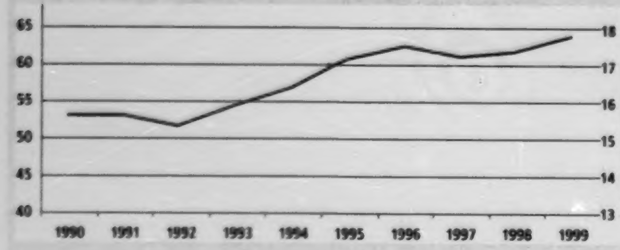
Environmental Trends

Gases such as carbon dioxide and methane are called greenhouse gases (GHGs). As they build up in the atmosphere, they act like the transparent roof of a greenhouse, which allows in sunlight while trapping the heat.

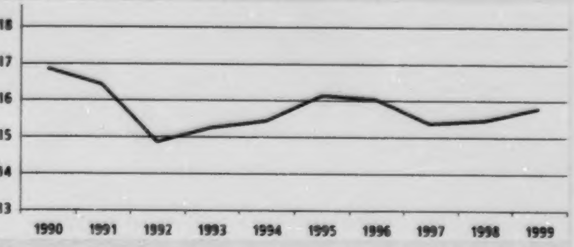
In 1999, total GHG emissions were 63.5 megatonnes of carbon dioxide equivalent, an increase of 10.8 megatonnes or 20% since 1990. In British Columbia, per capita greenhouse gas emissions decreased by 6.3% between 1990 and 1999. During this time, the population increased by 29%, from 3.1 million to just over 4 million.

The British Columbia government is identifying actions that increase the use of clean, renewable energy, increase energy efficiency, and build on actions already in place.

Total Greenhouse Gas Emissions (megatonnes of CO_2 EQ)



Per Capital Greenhouse Gas Emissions (tonnes of CO_2 EQ)



Source: Ministry of Water, Land and Air Protection, 2001.

Objective — Clean Water — Ensure safe, high-quality drinking water and reduce effluent discharges that impact water quality.

Aquifer and Well Protection Plans

Approximately 750,000 people in British Columbia depend on groundwater sources for their drinking water supplies. Most usable groundwater comes from aquifers — natural water-bearing geologic formations or subsurface reservoirs. Technical advisory assistance from the ministry was provided for the development of aquifer and well protection plans led by local governments or local community stewardship groups interested in measures to safeguard their community drinking water sources.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of aquifer protection projects supported.	Three aquifer projects completed by 2001	Partially achieved through completion of two draft plans and other related initiatives	Projects are led by communities and are in various stages of development

Performance measure and target

Complete three aquifer or well protection plans in partnership with communities by March 2002.

Progress during 2001/02

The target was partially achieved through:

- Development of a Draft Groundwater Protection Strategy for Hornby Island prepared by an Advisory Groundwater Protection Committee based on Hornby Island.

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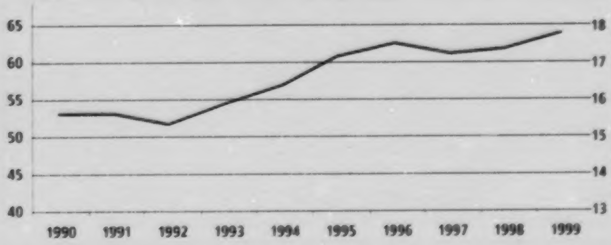
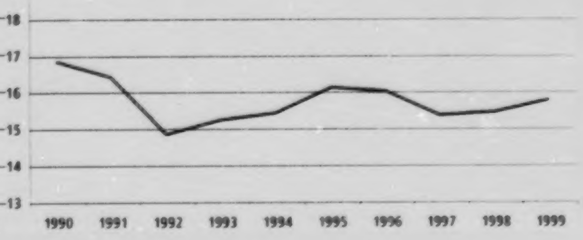
(megatonnes of CO_2 EQ)



Per Capital Greenhouse Gas Emissions
(tonnes of CO_2 EQ)



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Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of aquifer protection projects supported.	Three aquifer projects completed by 2001	Partially achieved through completion of two draft plans and other related initiatives	Projects are led by communities and are in various stages of development

Performance measure and target

Complete three aquifer or well protection plans in partnership with communities by March 2002.

Progress during 2001/02

The target was partially achieved through:

- Development of a Draft Groundwater Protection Strategy for Hornby Island prepared by an Advisory Groundwater Protection Committee based on Hornby Island.

- Advisory assistance to Mill Bay Waterworks District in development of their Water Quality Monitoring Program, and their Well and Water Source Protection Plan.
- Assisting 27 communities involved in establishing road signs to raise awareness of aquifers and the importance of their local drinking water supplies dependent on groundwater.
- Advisory assistance to Hagen Creek-Kennes Watershed Project in completion of their Community Groundwater Monitoring Program.

Major Aquifer Inventory

An inventory of major developed aquifers was continued over the year to identify, delineate and classify each aquifer's level of groundwater use and vulnerability to contamination. The classification provides a framework for prioritizing aquifer protection, and implementing management initiatives, particularly for drinking water supplies. The principal areas for aquifer classification included the Kootenay Region, Okanagan, Sunshine Coast and Peace River areas.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of aquifers identified and classified.	50 aquifers	113 aquifers	Target exceeded

Performance measure and target

Inventory and classify 50 additional aquifers by March 2002.

Progress during 2001/02

- The target was exceeded with 113 aquifers classified and mapped. The level of activity was increased by engaging a contractor for the Kootenay Region.
- Total number of aquifers in inventory extended to 551.

Testing and Trends for Nitrates in Groundwater

Monitoring of groundwater quality was continued in major aquifers that have shown elevated levels of nitrate. Nitrates are derived mainly from animal wastes, chemical fertilizers and septic wastes that have been applied to the land or disposed of in these areas. Changes in nitrate levels found in groundwater are important indicators to determine the effectiveness of measures adopted, such as best management practices, to reduce nitrate loading to groundwater.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Testing and trends for nitrates in groundwater.	Maintain monitoring capacity in three critical areas	Annual monitoring completed in three critical areas	Target met

Performance measure and target

- Continue annual monitoring in three aquifer areas near the communities of Abbotsford, Grand Forks and Osoyoos.

Progress during 2001/02

- Monitoring completed in three areas with assistance of community stewardship groups at Grand Forks and Osoyoos, and in partnership with Environment Canada at Abbotsford.

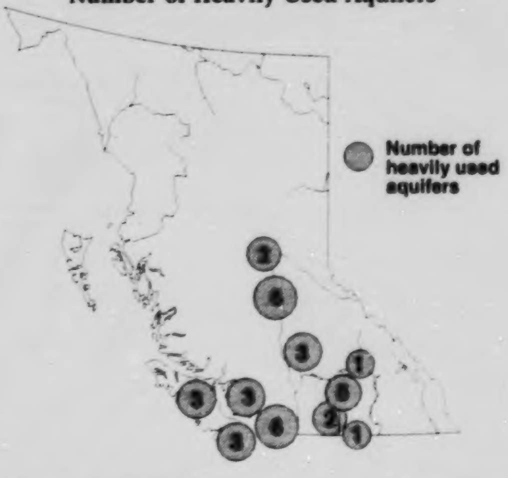
Environmental Trends

Groundwater is a major source of water for drinking and crop irrigation in British Columbia.

Heavily used aquifers are those where the extraction rate is high relative to the natural recharge rate. This designation is applied to 35 aquifers (up from 17 in 1996). Most are in the Fraser Valley or Southern Interior and on the East Coast of Vancouver Island.

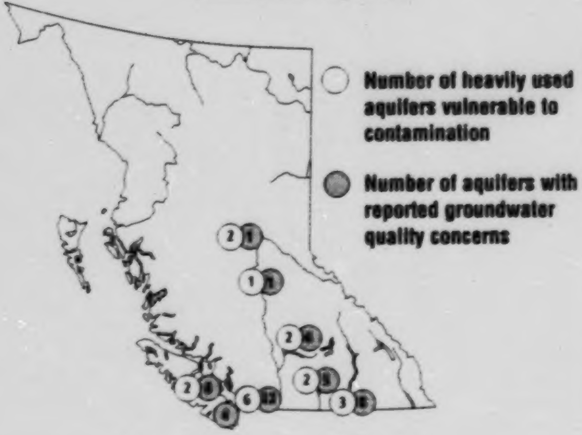
Heavy use puts water quality at risk. Continued aquifer classification mapping will likely identify additional heavily used aquifers.

Number of Heavily Used Aquifers



Source: Ministry of Water, Land and Air Protection, Water Protection Branch, Groundwater Section 2002.

Vulnerable Aquifers


Number of heavily used aquifers vulnerable to contamination
Number of aquifers with reported groundwater quality concerns
2
1
2
2
2
6
12
3

Source: Ministry of Water, Land and Air Protection, Water Protection Branch, Groundwater Section 2002.

Environmental Trends

Eighteen of British Columbia's 35 heavily used aquifers are considered highly vulnerable to contamination (up from 11 in 1996). Many of these supply drinking water to large communities, such as Langley, Abbotsford and Prince George.

Specific sites within 43 aquifers have been reported with health-related water quality concerns. The majority are in the Southern Interior, on the Gulf Islands and the east coast of Vancouver Island.

Water Quality Guidelines

The 1981 Auditor General's Report indicated that the Ministry did not have a means to determine whether it was performing its primary function of protecting the environment from pollution sources. Water quality guidelines are developed to provide that ability. The guidelines are developed to protect six primary water uses (aquatic life, wildlife, irrigation water, livestock water, drinking water supply and recreation) and are based upon existing scientific information.

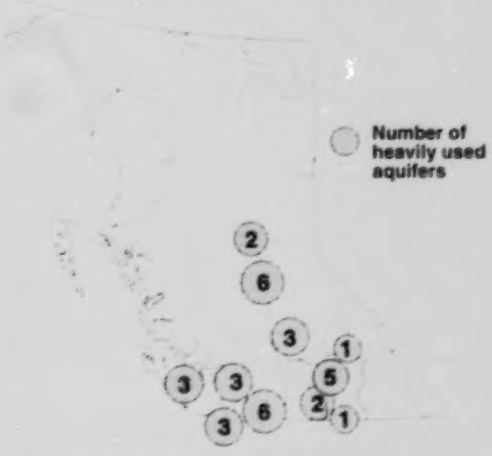
Environmental Trends

Groundwater is a major source of water for drinking and crop irrigation in British Columbia.

Heavily used aquifers are those where the extraction rate is high relative to the natural recharge rate. This designation is applied to 35 aquifers (up from 17 in 1996). Most are in the Fraser Valley or Southern Interior and on the East Coast of Vancouver Island.

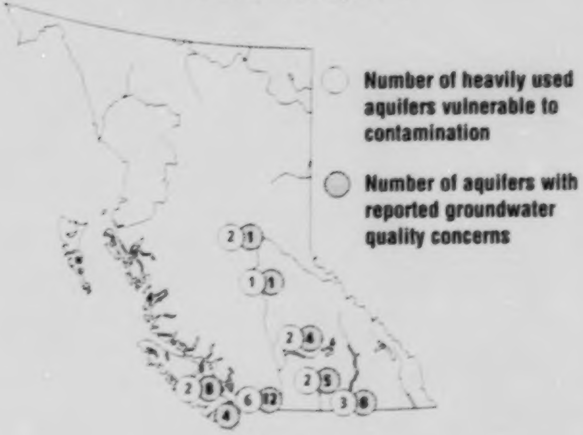
Heavy use puts water quality at risk. Continued aquifer classification mapping will likely identify additional heavily used aquifers.

Number of Heavily Used Aquifers



Source: Ministry of Water, Land and Air Protection, Water Protection Branch, Groundwater Section 2002.

Vulnerable Aquifers


Number of heavily used aquifers vulnerable to contamination
Number of aquifers with reported groundwater quality concerns
2
1
1
1
2
4
2
5
2
8
6
12
4
3
8

Source: Ministry of Water, Land and Air Protection, Water Protection Branch, Groundwater Section 2002.

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Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of water quality guidelines (new or updated) developed.	Five new or updated guidelines completed by 2001	Four guidelines	One guideline under target

Performance measure and target

Complete five new or updated guidelines by March 2002.

Progress during 2001/02

The target was partially achieved through:

- Development of guidelines for arsenic based upon a guideline developed by the Canadian Council of Ministers of the Environment.
- Development of guidelines for MTBE and temperature through the use of contractors to perform the primary scientific research.
- Development of guidelines for chlorate entirely by staff members.
- The one guideline scheduled that was not completed was formally approved by the ministry in early April 2002 and will be reported in the summary for that year

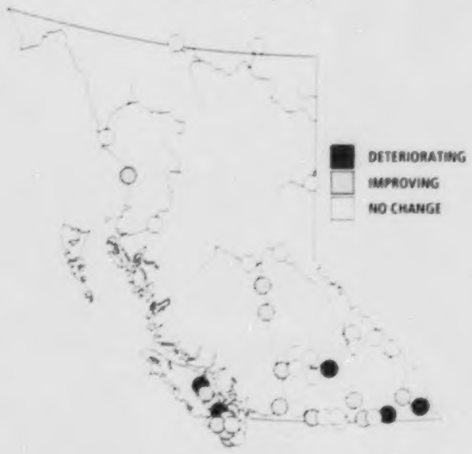
Environmental Trends

Protecting drinking water quality and maintaining the integrity of aquatic ecosystems are important environmental issues in British Columbia.

Results of trend assessments at 53 water quality sampling stations for 47 waterbodies are shown on the adjacent map. Most of the trends are based on ten years of data collected from the 1980s to the 1990s.

The government plans to improve drinking water source protection through the amended *Drinking Water Protection Act* and groundwater legislation.

Water Quality



Source: Ministry of Water, Land and Air Protection, 2001.

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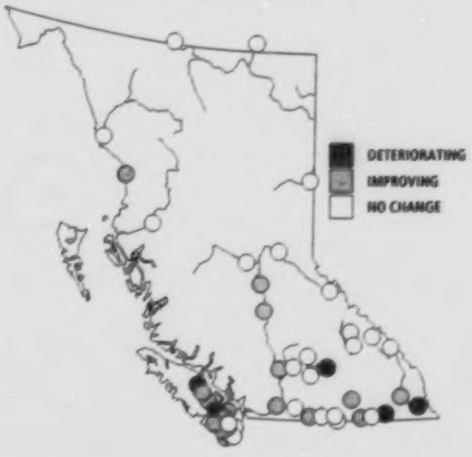


Source: Ministry of Water, Land and Air Protection, 2001.

Objective — Land Protection — Reduce/remove toxins and wastes that contaminate land.

Pest Management Plans

The ministry continued to promote the development of Pest Management Plans to replace permits required for major pest management projects such as in forestry vegetation management, utility rights-of-way, noxious weed control and mosquito control. A Pest Management Plan must describe how pests will be controlled using integrated pest management, including: prevention, identification, monitoring, using thresholds in making decisions, alternative (non-chemical) controls, and evaluating the effects of the controls applied. Pest Management Plans are in effect for a five year period instead of the three years for the permits that they replace, and may cover a wider geographic area, thus reducing the number of authorizations required overall.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Percentage of Pest Management Plans in place compared to total pesticide use authorizations.	At least 3%	6.9%	Target exceeded

Performance measure and target

At least three percent of Pest Management Plans in place compared to total pesticide use authorizations by March 31, 2002.

Progress during 2001/02

- The target was exceeded with the approval of an additional 16 Pest Management Plans, bringing the total Pest Management Plans in effect for the year to 30, compared to a total of 437 pesticide authorizations in effect.

Waste recycling — scrap tire stewardship program

Product and packaging stewardship programs focus on the collection of various used or leftover products and packages to prevent them from reaching landfills, incinerators or the general environment. Examples of product stewardship programs include: scrap tires and lead-acid batteries (1991); used lubricating oil (1992); paint residuals (1994); pharmaceuticals, solvents, flammables, pesticides and gasoline residuals (1997); and beverage containers (1998).

The scrap tire program (FIRST — Financial Incentives for Recycling Scrap Tires) provides financial incentives to transporters and processors to encourage the collection of scrap tires and their processing into products or fuel. The program is administered under contract by a management firm, and funded by a $3 per tire levy on new tire sales.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Percentage of scrap tires diverted from municipal landfills.	81% or 3.4 million	81%	Target met

Performance measure and target

81% or 3.4 million scrap tires diverted from municipal landfills.

Progress during 2001/02

- The scrap tire program met its forecast by collecting 3,408,852 passenger tire equivalents for the period April 1, 2001 to March 31, 2002.

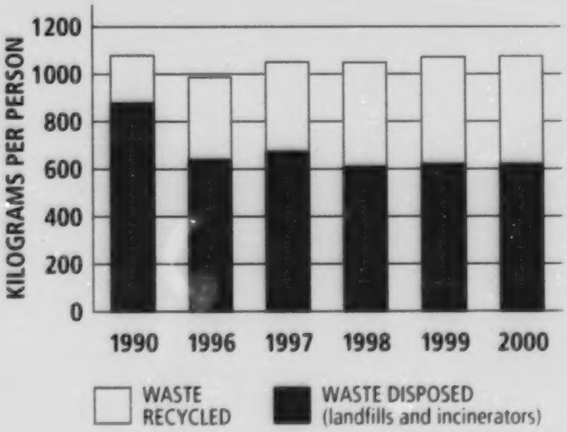
Environmental Trends

It is estimated that British Columbians generated 1,070 kg of solid waste per person in 2000. Of this, 618 kg required disposal. This represents a 30% reduction since 1990 in waste disposed of per person.

The amount of waste disposed to landfills and incinerators decreased from 2.9 to 2.5 million tonnes between 1990 and 2000. During the same period, the population increased by 32%.

Product stewardship initiatives involve industry and consumers taking responsibility for waste from products they produce or use.

Municipal Solid Waste Disposed of and Recycled



Source: Ministry of Water, Land and Air Protection, 2002.
Environmental Management Branch.
BC Municipal Solid Waste Tracking Report 2002.

Objective — Environmental Emergencies — Readiness to respond to high-risk environmental emergencies.

Environmental Emergencies

Approximately 4,000 toxic spills occur in British Columbia each year. These spills may affect public safety, property and/or the environment. The ministry's role is to ensure that persons responsible for the spill have the capability to clean up the spill and minimize the impact on people, land and the environment. The ministry maintains the capability to respond to high-risk spills or to spills where the persons responsible for the spill do not have the capability to cleanup the spill. The ministry is working with industry sectors (e.g., chemical producers, rail) and response agencies (e.g., Environment Canada, Burrard Clean Operations, Town of Osoyoos) to develop and test toxic spill emergency response plans and capabilities. The ministry is developing provincial response plans in the event of a large spill.

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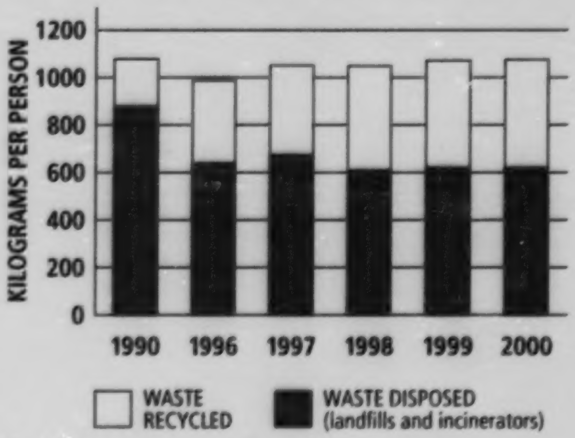

Source: Ministry of Water, Land and Air Protection, 2002.
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Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of toxic spill emergency response plans tested (Ministry plans, Industrial plans, Response agency plans).	Ministry plans: one approved, zero tested	Ministry plans: zero approved, zero tested	Under target by one plan
	Industrial plans: two tested	Industrial plans: three tested	Target exceeded by one plan
	Response agency plans: two of three tested	Response agency plans: two of three tested	Target met

Performance measure and target

Approve one ministry toxic spill emergency response plan by March 2002.

Test two Industrial toxic spill emergency response plans by March 2002.

Test two Response agency toxic spill emergency response plans by March 2002.

Progress during 2001/02

The targets were partially achieved through:

- The ministry toxic spill emergency response plan has been approved at a technical level.
- The ministry participated in industry emergency response exercises lead by Imperial Oil, Burrard Clean Operations, and the Area C Oil Spill Cooperative.

ENVIRONMENTAL STEWARDSHIP

Goal: Maintain and restore the natural diversity of ecosystems, and fish and wildlife species and their habitat.

The performance measures and targets for this goal are organized below by the related ministry objectives: Habitat Conservation, Wildlife and Wildlife Fish, Species at Risk and Sustainable Development.

Objective — Habitat Conservation — Manage conservation in parks and protected areas system.

Mapping and designating protected areas

The ministry is responsible for mapping and legally designating protected areas once government has announced or approved an addition to the protected area system, with a target to do so within two years of announcement. This effort ensures that legal designations will proceed in a timely manner, including putting into place complete and accurate statusing and mapping standards.

The complexities of land-use planning commitments can, and do, impact the timeliness of some designations. The designations of some protected areas may be withheld or postponed due to current land use rights (e.g., mineral tenures, petroleum titles, grazing, private land ownership or other resource use and management concerns). Every effort is made to eventually resolve such issues so that protected area designation can proceed. Some of these areas may not be able to proceed to protected area status but will be afforded protection through the actions and careful considerations of other agencies such as the Ministry of Forests or Regional Districts.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Percentage of new protected areas that are Order-in-Council or legislation ready within two years of areas' announcement.	100% over two years	51 of 82 in first year	On target

Performance measure and target

Legally designate new protected areas within two years of announcing them.

Progress during 2001/2002

- Fifty-one (51) protected areas (new or additions to existing protected areas) were designated.
- Eighty-two (82) new protected area sites were announced by government in the preceding two years, 51 (not the same as above) of which were designated by the end of the fiscal year 2001/2002; leaving 31 areas to designate in 2002/2003.
- Eight (8) other protected areas were overdue and not ready for designation within two years of their announcement by government:
  - five (5) were in the process over 2001/2002 of being made ready for designation; and
  - three (3) had unresolved land use issues that preclude designation as protected areas.
- The ministry anticipates completing those active outstanding protected areas from 2001/2002 (31 + 5) in 2002/2003.

Management Planning for Protected Areas

The Environmental Stewardship Division's management planning program consists of management plans and management direction statements that provide a long-term vision and broad strategies, as well as guidance for the day-to-day stewardship, management and development of protected areas.

Management direction statements describe significant protected area values and management issues, and recommend priority objectives, strategies and actions to respond to these issues. They provide direction where a more extensive protected area management plan is not required or feasible at the time. Management plans, in contrast, provide a more comprehensive statement of objectives and strategies for the conservation, development, management and interpretation of the protected area, and normally include substantive public involvement in their preparation.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number and percentage of protected areas with approved management direction	130 protected areas (16%)	226 protected areas (28%)	Target exceeded

Performance measure and target

Approved management direction in place for 130 (16%) protected areas by March 31, 2002.

Progress during 2001/02

- The ministry exceeded the 2001/02 target of having approved management direction in place for 130 protected areas.
- At year's end, a total of 226 protected areas (28 percent of the total number of protected areas) had approved management direction in place through either a management plan or management direction statement.
- In 2001/02, six management plans covering eight parks, and seven management direction statements were approved.
- At fiscal year end, one management plan, one management plan amendment and two management direction statements were awaiting approval, and approximately 150 management plans and management direction statements were in progress.
- The discrepancy between the performance target and result is primarily due to the review of all management plans or equivalent documents more than ten years old to determine their adequacy in providing management direction. Seventy-seven "old" plans were validated through this process. (Note, the number of areas with approved plans rather than the number of approved plans is now being counted.)

Responses to known significant threats in protected areas

Protected areas will continue to be the cornerstone of biodiversity protection in the province. Eight in ten British Columbians stated that conservation of natural values and processes was a very important benefit of having provincial parks. Conservation of these areas is also key to meeting the provincial objective of environmental stewardship. This performance measure reflects the conservation management process of acquiring natural values information, identifying risks and threats to these values, and implementing strategies and projects to reduce these threats.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of responses to known significant threats in protected areas.	130 responses or actions in protected areas	191 projects responding to known significant threats in protected areas completed or initiated	Increased focus on conservation management allowed more projects to be undertaken

Performance measure and target

Initiate or complete 130 projects responding to known significant threats in protected areas.

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Progress during 2001/2002

The target was partially achieved through:

- A funding shift that enhanced conservation management funding for protected areas allowing more than the expected number of projects to be initiated or completed.
- Undertaking some region/district or province-wide projects. These included:
  - Conservation risk assessments for all protected areas in each district/region.
  - District/region wide conservation plans such as invasive weed management plans.
- Prioritizing projects based on the highest conservation values and highest risk.
- Utilizing partners and stewardship groups to assist in implementing projects.

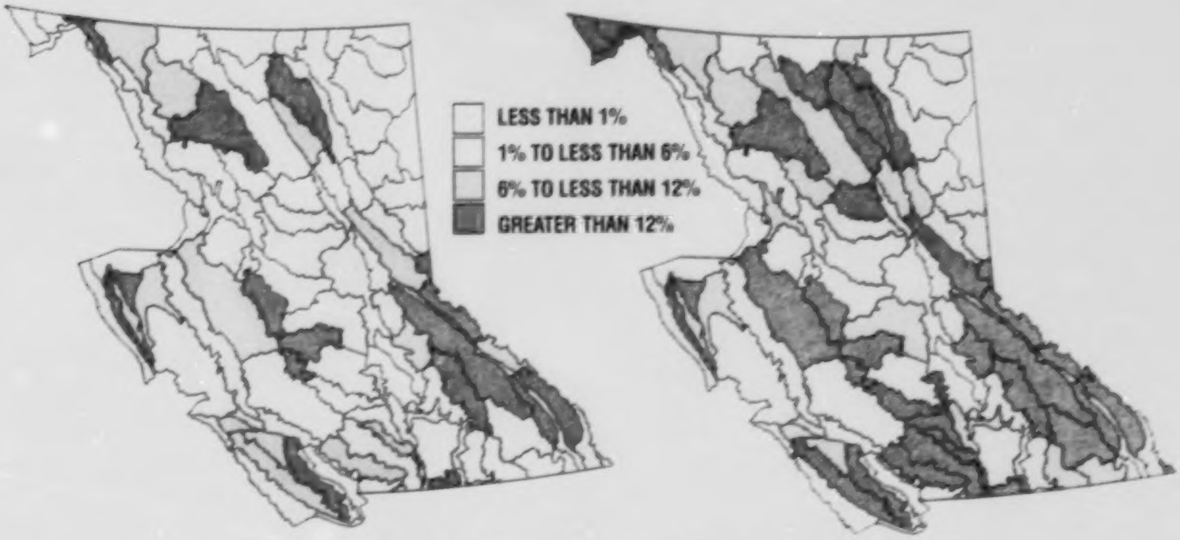
[Note — data is based on the program's third quarter report.]

Environmental Trends

The protected areas network is an integral part of British Columbia's strategy to protect the province's biological and cultural heritage. This is becoming increasingly important as British Columbia has a high number of species "at risk" relative to other provinces and territories in Canada.

One objective of the Protected Areas Strategy is to increase the protection of ecosystem diversity. The amount of protection will vary with each ecosection.

Percentage of Ecosystems Protected



Source: Ministry of Sustainable Resource Management, Decision Support Services, 2002.

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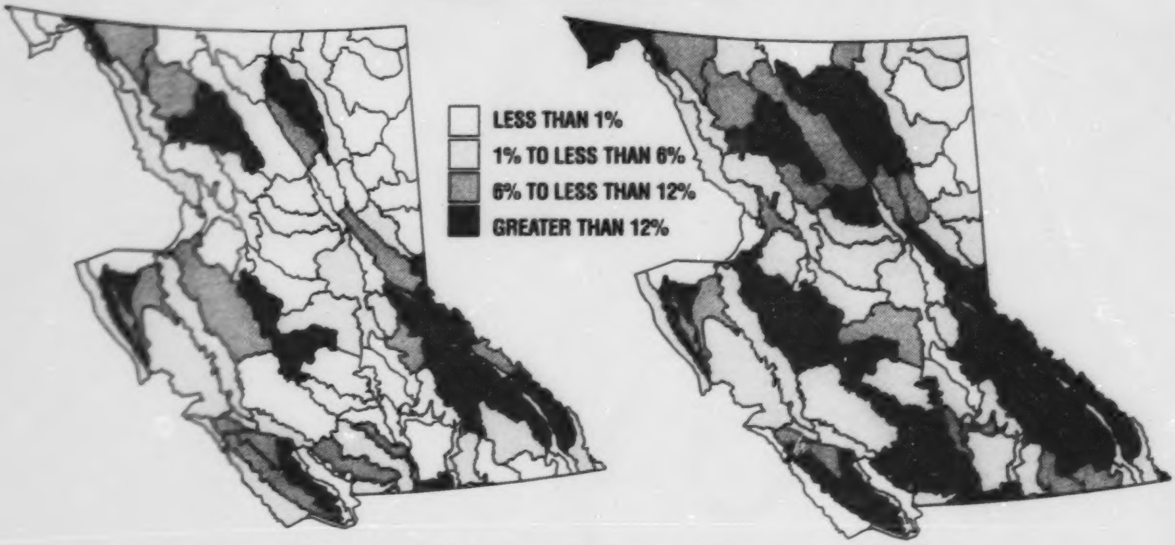


Source: Ministry of Sustainable Resource Management, Decision Support Services, 2002.

Objective — Wildlife and Wild Fish — Manage and protect fish, wildlife and their habitat.

Monitoring on forestry, range and other land use activities

The ministry is implementing the stewardship model of conservation and responsible resource development. The stewardship model is based on the ministry working with private and other government partners to agree on and achieve high standards for conservation. The ministry monitors, or establishes monitoring partnerships, and reports on the level of success in achieving these preset conservation standards. The monitoring assists in ensuring that the conservation objectives are met, but also provides invaluable information for reviewing the standards themselves.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of monitoring projects carried out on forestry, range and other land use activities.	Seven projects carried out	Seven projects at various stages	Target primarily met

Performance measure and target

7 monitoring projects carried out on forestry, range and other land use activities.

Progress during 2001/02

- The items below represent the monitoring projects undertaken over 2001/2002, but in various stages of completion as of March 31, 2002:
  1. Headquarters — Wildlife Tree Evaluation Project done in partnership with MoF.
  2. Headquarters — Grazing Monitoring draft Report undertaken jointly with Ministry of Forests, but also included Ministry of Agriculture, Food and Fisheries and the federal Department of Fisheries and Oceans.
  3. Peace Region — Oil and Gas Compliance Review, undertaken jointly with the Oil and Gas Commission.
  4. Vancouver Island Region — draft French Creek Watershed Study.
  5. Vancouver Island Region — draft Audit of Selected Polygons of the Sensitive Ecosystems Inventory of East Vancouver Island and Gulf Islands.
  6. Vancouver Island Region — draft Ministry of Transportation subdivision referral (or Preliminary Layout Approval) audit.
  7. Vancouver Island Region — monitoring review of Marbled Murrelet habitat conservation in Clayoquot Sound.

Wildlife Habitat Areas

WHAs are mapped areas of Crown Land containing critical habitat, such as breeding, feeding and denning habitat, crucial to identified wildlife. WHAs help protect species and plant communities at risk by specifying mandatory practices, called general wildlife measures (GWMs) that occur within them. The GWMs include measures to protect species at risk from development while recognizing forestry's social and economic benefits. The designation of WHAs is one of British Columbia's major mechanisms for providing protection for the habitat of threatened and endangered species required under the National Accord for the Protection of Species at Risk.

Identified Wildlife are species that are considered to be sensitive to habitat alteration associated with forest and range practices and are considered to be at risk (i.e., endangered, threatened or vulnerable). Thirty-six species and four plant communities are currently eligible wildlife for wildlife habitat area protection in British Columbia.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of established Wildlife Habitat Areas.	50 established	65 established	Target exceeded

Performance measure and target

Fifty (50) Wildlife Habitat Areas (WHAs) established by March 31, 2002.

Progress during 2001/2002

- There were 65 approved WHAs as of March 31, 2002, representing a total area of 9,938 hectares (average 153 hectares).
- These 65 WHAs will protect Grizzly Bears, Marbled Murrelets, Queen Charlotte Goshawks, Tailed Frogs, Mountain Beavers, Bighorn Sheep, Prairie Falcons, Lewis' Woodpeckers, Brewer's sparrow, White-headed woodpecker, Ancient Murrelet, Cassin's auklet and rare plant communities in various locations throughout the Province.
- Into fiscal 2002, there were 25 more WHAs ready for a decision by the Chief Forester and MWLAP Deputy Minister, and an additional 175 other WHAs in various stages of completion.
- Initial work to determine how to meet Service Plan commitment to greater industry involvement in identification of WHAs.

Wildlife Management Areas

Wildlife Management Areas (WMAs) are a designation under the provincial *Wildlife Act*. They are usually established where conservation and management measures are considered essential to the continued well being of resident or migratory wildlife that are of regional, national, or global significance. Conservation of wildlife, fish and their habitats is a priority in WMAs but other land uses may be permitted by the Regional Manager of Environmental Stewardship.

Activities that may occur within a specific WMA are usually outlined in a management plan developed in consultation with First Nations, stakeholders and the general public. Wildlife Management Areas can be used to implement wildlife and habitat objectives established under a strategic land use plan and sometimes serve as buffer zones or linkages for core protected areas.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of Wildlife Management Areas (WMAs) proposed and ready for Order-in-Council stage.	An additional two WMAs prepared	Three new WMAs designated; two additions to existing WMAs	Target exceeded

Performance measure and target

Prepare an additional two Wildlife Management Area proposals.

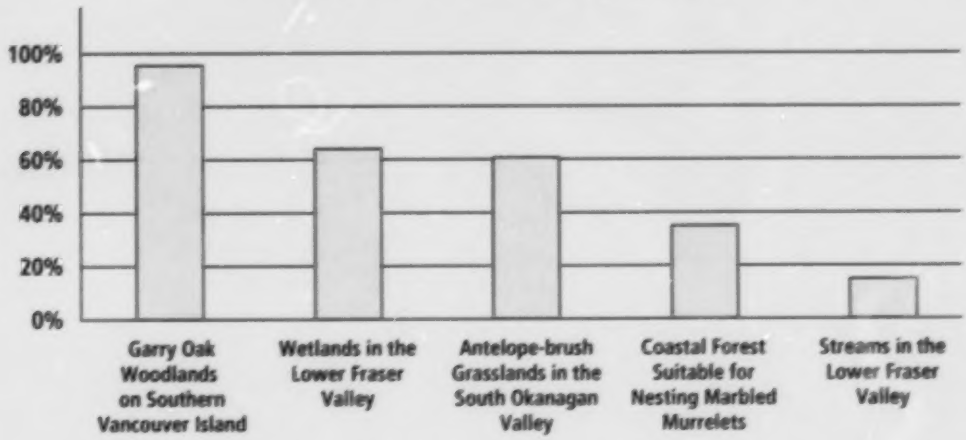
Progress during 2001/2002

- Three new WMAs were designated including the Todagin WMA (122,787 ha) in the Skeena region and the Cluxewe WMA (137 ha) and Lazo Marsh-North East Comox WMA (127 ha) on Vancouver Island.
- Two additions were made to existing WMAs including a 156 ha addition to the Parksville-Qualicum Beach WMA on Vancouver Island and a 90 ha addition to the Pitt-Addington Marsh WMA in the Lower Mainland.
- Progress in 2001/2002 brought the total number of WMAs to 22, covering an area of just over 231,000 hectares.

Environmental Trends

Maintaining viable areas of different habitat types is a key component of protecting biodiversity.

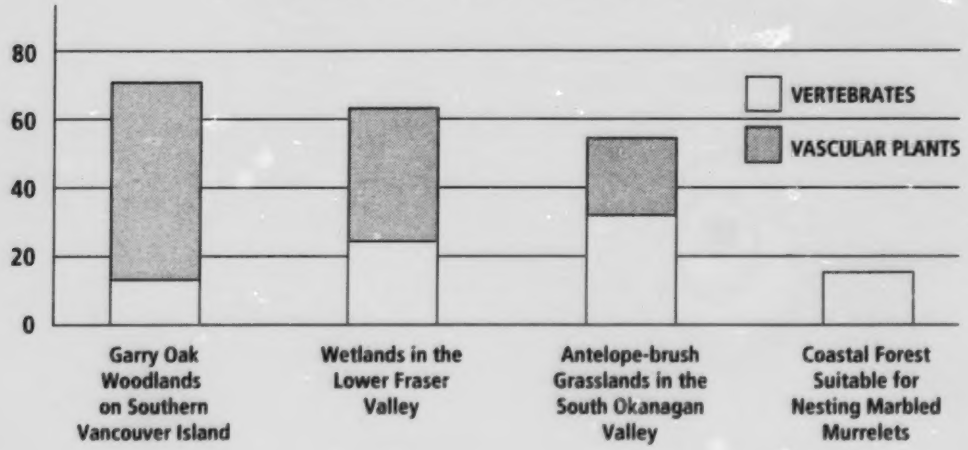
Percentage Lost of Selected Habitat Types



Source: Gary Oak Woodlands — Ministry of Sustainable Resource Management, 2002; Antelope-brush Grasslands — Ministry of Water, Land, and Air Protection 2002; Wetlands in LFV 0 Boyle, *et al.*, 1997; Streams in the Lower Fraser Valley — Fraser River Action Plan, Fisheries and Oceans Canada, 1998; Coastal forest suitable for nesting Marbled Murrelets — Demarchi and Button, 2000.

The loss or degradation of habitat can endanger the species that depend on it and ultimately reduce regional and provincial biodiversity.

Number of Species at Risk in Selected Habitats



Source: Gary Oak Woodlands — Gary Oak Ecosystems Recovery Teams, 2002; other habitat types — Ministry of Sustainable Resource Management and Conservation Data Centre, 2002.

Watershed Fish Sustainability Plans

The Watershed Fish Sustainability Plan process was jointly developed with the federal Department of Fisheries and Oceans, concerned stakeholders and industry to allow for the setting of priorities for the management and restoration of fish and fish habitat in watersheds.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of watershed-based fish sustainability plans initiated and completed for key watersheds	— Rivers Inlet Level II plan completed by 2001. — 1 government-led regional (basin) scale and 1 watershed-level plan initiated	— Rivers Inlet Level II still in the initiation stage — 1 government-led regional (basin) scale and 11 watershed-level plans initiated	— Initiation rather than completed — Target exceeded

Performance measure and target

Complete Rivers Inlet Level II watershed-based fish sustainability plan and initiate 1 government-led regional (basin) scale and 1 watershed-level plan.

Progress during 2001/02

- Rivers Inlet Level II Project is being led by DFO, as is predominantly a sockeye project. Present status partially achieved through DFO leading the initiation of the Stage II watershed plan.
- Exceeded projected progress with 11 other Stage II watershed plans being initiated. This was due to sustained stakeholder enthusiasm for the process, and increased emphasis by DFO to use the tool for strategic watershed based fish plans.

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- Ministry initiated development of Living Rivers Strategy to provide framework for private and public sector and civil society actions to protect and restore watersheds.

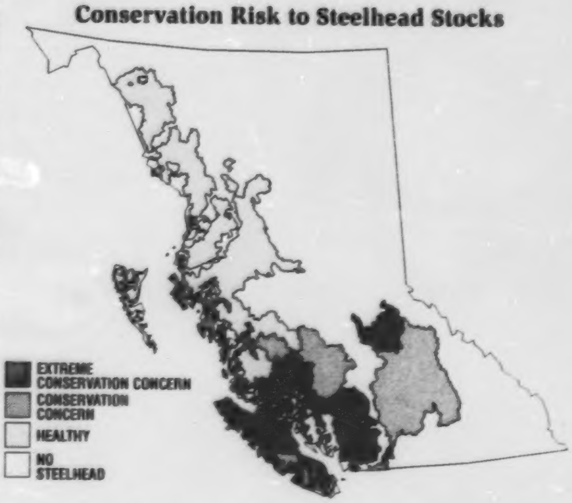
Environmental Trends

Fish comprise one of the highest proportion (about 1/3) of threatened or endangered species in British Columbia.

Steelhead can be used as an indicator of environmental quality over broad areas of coastal British Columbia because they are widely distributed and recent studies have shown they are sensitive to environmental degradation.

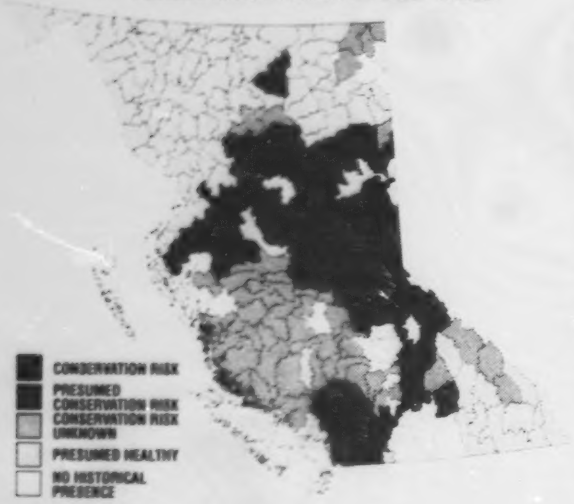
Recovery initiatives directed at species-at-risk and at entire watersheds are being developed and implemented through partnerships that include all levels of government, First Nations, stakeholders and industry. The Living Rivers strategy will provide a science-based program to set priorities and co-ordinate watershed management activities, including a 10-year restoration program.

Conservation Risk to Steelhead Stocks


EXTREME CONSERVATION CONCERN
CONSERVATION CONCERN
HEALTHY
NO STEELHEAD

Source: Ministry of Water, Land and Air Protection, BC Fisheries, 2001.

Conservation Risk to Bull Trout


CONSERVATION RISK
PRESUMED CONSERVATION RISK
CONSERVATION RISK UNKNOWN
PRESUMED HEALTHY
NO HISTORICAL PRESENCE

Source: Ministry of Water, Land and Air Protection, 2002.

Environmental Trends

Bull trout is used as an indicator because it is widely distributed in British Columbia and known to be sensitive to habitat changes, therefore its status may be representative of the health of the watershed.

Bull trout are the only fish identified under the Forest Practices Code as "Identified Wildlife" requiring special management considerations. In British Columbia, Bull Trout are classified as Special Concern, and stringent fishing regulations are in place.

- Ministry initiated development of Living Rivers Strategy to provide framework for private and public sector and civil society actions to protect and restore watersheds.

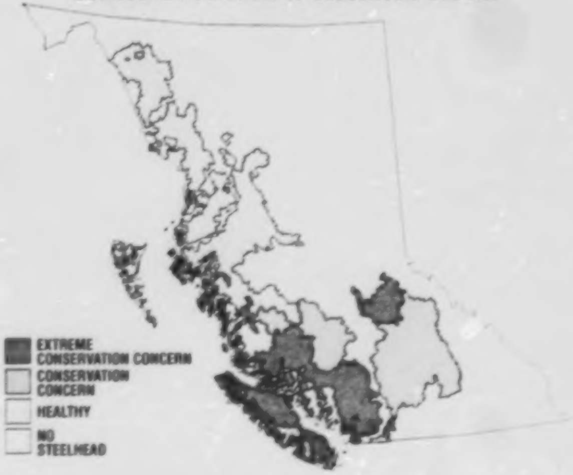
Environmental Trends

Fish comprise one of the highest proportion (about 1/3) of threatened or endangered species in British Columbia.

Steelhead can be used as an indicator of environmental quality over broad areas of coastal British Columbia because they are widely distributed and recent studies have shown they are sensitive to environmental degradation.

Recovery initiatives directed at species-at-risk and at entire watersheds are being developed and implemented through partnerships that include all levels of government, First Nations, stakeholders and industry. The Living Rivers strategy will provide a science-based program to set priorities and co-ordinate watershed management activities, including a 10-year restoration program.

Conservation Risk to Steelhead Stocks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CONSERVATION CONCERN
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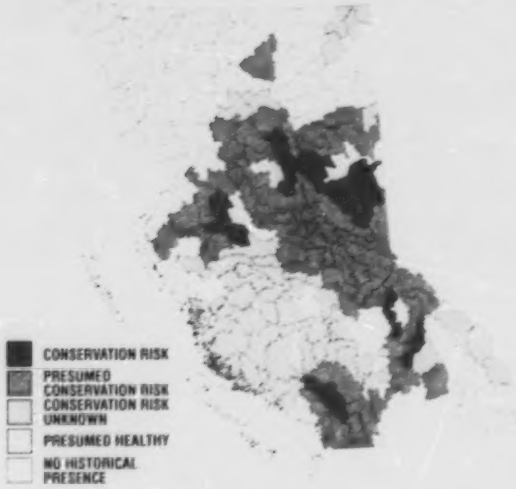
Source: Ministry of Water, Land and Air Protection, BC Fisheries, 2001.

Conservation Risk to Bull Trout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Source: Ministry of Water, Land and Air Protection, 2002.

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Objective — Species at Risk — Identify, protect and restore species at risk and their habitat.

Species and Ecosystems at Risk

Under the proposed federal endangered species legislation and the National Accord for the Protection of Species at Risk in Canada, there is a requirement to produce a recovery plan for an endangered species within one year of designation and a recovery plan for a threatened species within two years of designation. Recovery plans describe the steps that need to be taken to improve a species' status from that of 'species-at-risk'.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of species and ecosystems at risk covered by recovery plans.	An additional 10 species and ecosystems covered	0 complete; 4 near completion	-10; recovery efforts underway

Performance measure and target

An additional ten species and ecosystems at risk covered by recovery plans.

Progress during 2001/2002

- The draft strategy for Garry Oak Ecosystems was completed and submitted for technical review — this strategy has been endorsed by over 25 regional governments, municipalities and organizations. Draft strategies for American Badger, Leopard Frog and Oregon Spotted Frog were also completed to the review stage.
- Plans covering 38 other species at risk have been initiated.
- Despite lack of fully completed plans, recovery efforts outlined in draft plans have begun for 2 ecosystems and 9 other species.
- Initial work to determine how to meet Service Plan commitment to greater industry involvement in recovery planning.

Environmental Trend

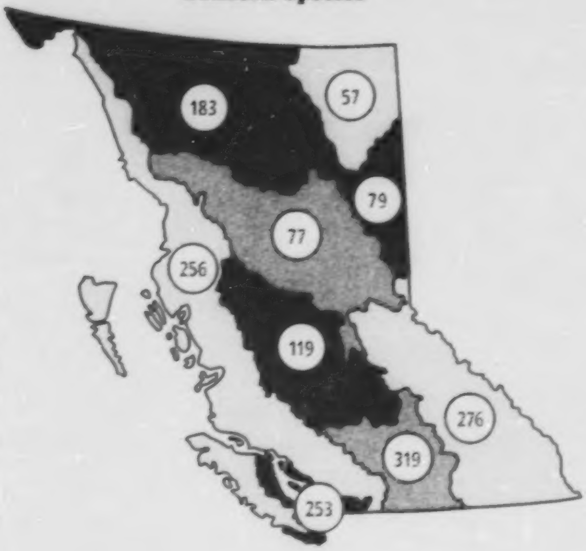
Biodiversity represents the biological portion of natural capital on which economic and social well-being depends. This is particularly true in British Columbia, where important aspects of our economy draw directly from our natural capital.

The proportion of species at risk is used internationally as an indicator of the status of biodiversity. Global concern for biodiversity stems from evidence that the current rate of extinctions is higher than would be expected naturally.

The Southern Interior ecoprovince has the largest number of species at risk (319), followed by the Southern Interior Mountains (276), Coast and Mountains (256), and the Georgia Depression (253).

The largest threat to species at risk in British Columbia is habitat loss. Urban development, agriculture, timber management, livestock grazing and water development result in the destruction, modification and fragmentation of natural habitats upon which many species at risk depend.

Number of Threatened, Endangered or Special Concern Species



Source: Ministry of Sustainable Resource Management, Conservation Data Centre, 2001.

PARK AND WILDLIFE RECREATION

Goal: Provide park and wildlife recreational services and opportunities to British Columbians and visitors.

The performance measures and targets for this goal are organized below by the related ministry objectives: Hunting, Angling and Wildlife Viewing Opportunities, and Parks Recreation.

Objective — Hunting, Angling and Wildlife Viewing Opportunities — Manage/allocate fish and wildlife for angling, hunting and viewing, and provide wilderness recreation opportunities.

Provincial Angling

The 'angler participation rate' measure provides an indication of both the continuing interest that British Columbians have in their natural resources and the desirability of the Province as a natural resource tourist destination. Stable licence fees, favourable foreign exchange rates and the annual Family Fishing Weekend promotional events are likely elements in meeting the stated performance targets.

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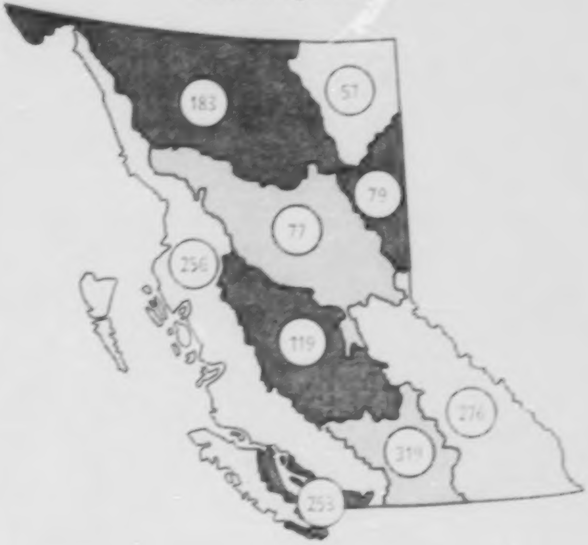

Source: Ministry of Sustainable Resource Management, Conservation Data Centre, 2001.

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Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Angler participation rate.	Maintain 292,600 resident and 73,600 non-resident licences (1995-1999 5-year average)	297,339 resident and 82,312 non-resident angling licences sold	Target exceeded

Performance measure and target:

292,600 resident and 73,600 non-resident angling licences sold in fiscal year 2001/2002.

Progress during 2001/2002:

- 297,339 resident and 82,312 non-resident angling licences sold.
- Angling licence sales have been maintained above the target participation rate for both resident and non-resident anglers. This increase is counter to the general downward trend of angler participation over the past decade.

Provincial Hunting

Maintaining the diversity and abundance of native species and their habitat while providing for the use and enjoyment of wildlife is the primary objective of the provincial wildlife program. Each year, carefully reviewed and revised regulations are introduced to help balance conservation of biodiversity and sustainable wildlife management with some of the most outstanding hunting opportunities the world has to offer. Estimates of hunter days provide a measure of the amount of time provincial residents and visitors to the province spend in the field.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of hunter days.	990,000 resident and 58,000 non-resident hunter days	1.05M resident and 53,000 non-resident hunter days	+ 60,000 resident and - 5,000 non-resident hunter days

Performance measure and target

990,000 resident and 58,000 non-resident hunter days for 2001.

Progress during 2001/2002

- In 2001, 93,296 provincial residents and 5,869 visitors to the province purchased licences to hunt in British Columbia. Consistent with regulations, this resulted in 1.05 million resident and 53,000 non-resident hunter days.
- The amount of effort by resident hunters was more robust than expected with deer, elk and moose being the most popular species.
- The amount of effort by non-resident hunters was slightly below the forecast. This might be explained, at least in part, by the temporary moratorium on grizzly bear hunting that closed the spring season. However, hunting effort by non-residents for other species remained strong.

Objective — Parks Recreation — Provide, through private operators, camping and day use in Parks.

Visitors to BC Parks

British Columbians enjoy an outstanding variety of family vacation opportunities and other seasonal and year-round activities in natural settings. Access to well managed recreation areas has major economic benefits from tourism and ecotourism. The ministry's stewardship role encourages visitor appreciation of these special places. Our trails, camping facilities, day use areas, canoe circuits, back country huts and boating facilities offer access to visitors of all ages and skills.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Number of recorded visits to BC Parks.	23 million visitors	23.3 million visitors	+ 300,000

Performance measure and target

Twenty-three million recorded visits to BC Parks.

Progress during 2001/2002

- Visitor attendance surpassed the year's target — 23,327,006.

Visitor Satisfaction with Campground Facilities and Services

BC Parks is committed to providing visitors with a safe, enjoyable park visit. Since 1985, BC Parks has conducted an annual satisfaction survey to provide a systematic way of capturing park visitors' views about the quality of services provided in provincial parks and to identify areas for service and facility improvements. The results from the survey are used to identify priorities for service improvements. The visitor satisfaction index is the provincial average rating by park visitors of five services. Changes in the index are used to measure how well these services are being provided from year to year and to determine the effectiveness of service improvements.

Performance Measure	2001/2002 Target	2001/2002 Actual	Variance
Park visitor satisfaction with campground facilities and services.	75%, (based on five campground management items)	82%	Exceeded target by 7%

Performance measure and target

Seventy-five per cent park visitor satisfaction.

Progress during 2001/2002

- The target was exceeded in the past three years: 82 per cent positive response in 1999, 79 per cent in 2000 and 82 per cent in 2001.
- BC Parks continues to emphasize security and maintenance services to ensure park visitors have a safe and enjoyable park visit.

Report on Resources

2001/02 Resource Summary

Core Business Area	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)[1]					
Environmental Protection[2]	32,512	233	32,745	38,186	(5,441)
Environmental Stewardship	67,492	0	67,492	60,419	7,073
Planning, Innovation and Enforcement	15,654	0	15,654	18,765	(3,111)
Operations Subtotal	**115,658**	**233**	**115,891**	**117,370**	**(1,479)**
Corporate Services	55,222	0	55,222	49,752	5,470
Ongoing Operating Expenditures	**170,880**	**233**	**171,113**	**167,122**	**3,991**
Britannia Mine Remediation	45,000	0	45,000	45,900	(900)
Total Operating Expenditures	**215,880**	**233**	**216,113**	**213,022**	**3,091**
Full-time Equivalents (FTEs)					
Total FTEs[3]	**1,317**	**0**	**1,317**	**1,346**	**(29)**
Ministry Capital (Expenditures) ($000)					
Total Capital Expenditures[4]	**15,506**	**4,723**	**20,229**	**20,229**	

[1] For the 01/02 Annual Report, the budget and expenditure information is reported by the 02/03 organizational structure (core business) as per the Annual Report Guidelines issued by Treasury Board Staff. The 01/02 Public Accounts will report this information by the sub-votes displayed in the 01/02 Estimates.

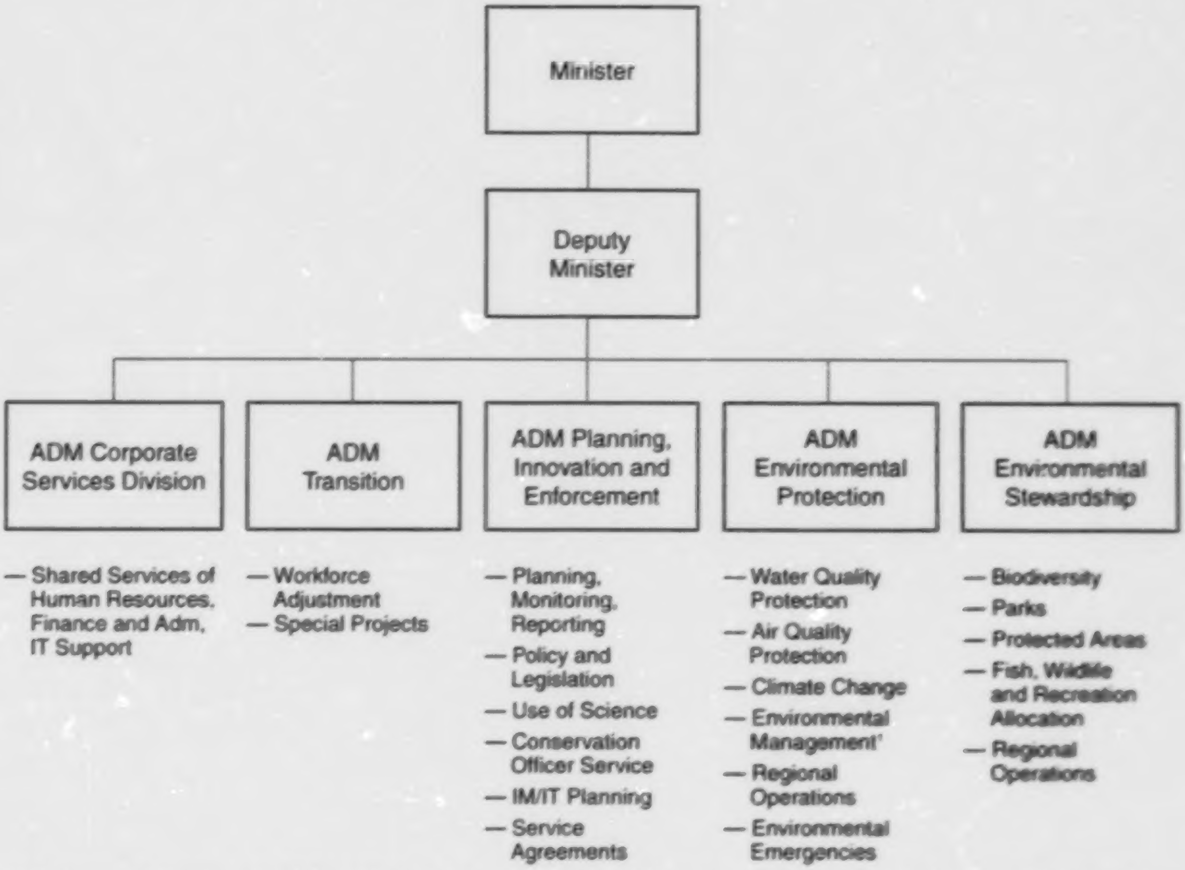
[2] Included in the Environmental Protection budget and expenditure information is spending related to the Sustainable Environment Fund (01/02 SEF Budget was $31.345 million).

[3] The actual FTE overrun is the result of support services staff not being transferred to the Ministry of Sustainable Resource Management during 2001/02.

[4] Corporate Services includes overhead amounts such as building occupancy charges, transitional and contingency funding, legal costs, telecommunications as well as funding for the Minister, Executive, Corporate Policy and Communication Offices. The majority of this funding has been allocated to the Divisions in 02/03 to more accurately capture the costs of doing business.

Appendix A

Ministry Organization Chart


Minister
Deputy Minister
ADM Corporate Services Division
ADM Transition
ADM Planning, Innovation and Enforcement
ADM Environmental Protection
ADM Environmental Stewardship
— Shared Services of Human Resources, Finance and Adm, IT Support
— Workforce Adjustment
— Special Projects
— Planning, Monitoring, Reporting
— Policy and Legislation
— Use of Science
— Conservation Officer Service
— IM/IT Planning
— Service Agreements
— Water Quality Protection
— Air Quality Protection
— Climate Change
— Environmental Management[1]
— Regional Operations
— Environmental Emergencies
— Biodiversity
— Parks
— Protected Areas
— Fish, Wildlife and Recreation Allocation
— Regional Operations

[1] Environmental Management includes contaminated sites, product stewardship, toxics and special waste, industry and local government emissions and discharges.

Appendix B

Legislation Administered by the Ministry[1]

The following provides an overview of the legislation, in alphabetical order, presently administered by the Ministry of Water, Land and Air Protection:

***Commercial River Rafting Safety Act*, R.S.B.C. 1996, c. 56**

This statute creates the position of the Registrar of Commercial River Rafting and provides for the registration and licensing of outfitters, guides and trip leaders, and the setting and enforcement of safety standards for commercial river rafting. The Act is presently administered by the Environmental Stewardship Division.

***Creston Valley Wildlife Act*, R.S.B.C. 1996, c. 84**

The Act places the Creston Valley Wildlife Management Area (CVWMA) in trust for the continued conservation, management and development of wildlife. The Act restricts mining and the disposition of land, and protects natural resources in the CVWMA. A Management Authority is established under the Act to regulate activity within the CVWMA. The Authority is subject to the Minister in the exercise of its functions, powers and duties under the Act. The Minister also has the capacity to declare a portion of the CVWMA a sanctuary area.

***Dike Maintenance Act*, R.S.B.C. 1996, c. 95**

This Act empowers the Inspector of Dikes to supervise all dikes and the operation of all dike authorities relative to the construction and maintenance of dikes.

***Drainage, Ditch and Dike Act*, R.S.B.C. 1996, c. 102**

This Act establishes a comprehensive scheme for the regulation and authorisation of ditches, watercourses, drainages, and dikes throughout the province.

***Ecological Reserve Act*, R.S.B.C. 1996, c. 103**

The *Ecological Reserve Act* is one of the key pieces of protected area legislation. The Act provides for the establishment and administration of ecological reserves in the province. New ecological reserves are created by order-in-council or through addition to the schedules of the *Protected Areas of British Columbia Act*. The Environmental Stewardship Division of the ministry administers the Act and the ecological reserves.

***Environment Management Act*, R.S.B.C. 1996, c. 118**

The *Environment Management Act* is one of the major enabling statutes for the Ministry. Under this Act, the Ministry is responsible for managing, protecting and enhancing the environment. Specific legislated responsibilities include:

- conducting research and investigative activities;
- developing environmental policies;
- disseminating information to the public about the environment;

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[1] Acts are assigned by Order in Council issued under the *Constitution Act*. Administration of acts can change quickly. Readers are advised to confirm all information with appropriate legal research before relying upon it. Citations for all acts and regulations are to the most recent or original versions: these are frequently amended and can change quickly and with little notice. Readers are strongly advised to confirm all information with appropriate legal research before relying upon it.

- preparing policies, strategies, objectives and standards for the protection and management of the environment;
- preparing environmental plans for: flood control, drainage, soil conservation, water resource management, fisheries and aquatic life management, wildlife management, waste management, and air management;
- requiring and regulating certain environmental assessments;
- issuing environmental protection orders;
- declaring environmental emergencies and allocating the required resources to control emergencies;
- recovering moneys spent during an emergency from the responsible party;
- enforcing the act; and
- establishing and operating the Environmental Appeal Board.

Fish Protection Act, S.B.C. 1997, c. 21 [section 12 only]

Section 12 of the Act provides that the Lieutenant Governor in Council may, by regulation, establish policy directives regarding the protection and enhancement of riparian areas after consultation by the Minister with representatives of the Union of British Columbia Municipalities (UBCM).

Industrial Operation Compensation Act, R.S.B.C. 1996, c. 222

The Act authorises the creation of compensation agreements, both private and in right of the Crown, between land-owners and an industry for any damage that may be caused to the land. The Act also establishes an arbitration process for the fixing of compensation.

Land Title Act, R.S.B.C. 1996, c. 250 [Sections 82 and 219 (insofar as it relates to the portfolio of the Minister) only (except section 219, subsections 3 (c), 11 (b) and 13]

Section 82 of the Act authorises the Minister to designate flood plain areas. Section 219 (which, except for subsections 3(c), 11(b) and 13, is shared by the Ministries of WLAP, Sustainable Resource Management and Community, Aboriginal and Women's Services) authorizes the Minister to designate a person as a covenantee for the purposes of registering a covenant as to use and alienation against the title to land.

Each Minister may exercise the general s. 219 authority insofar as it relates to the portfolio of the Minister. In the case of the Ministry of WLAP, the authority relates to covenants concerning the right to flood. The Minister of SRM has the exclusive authority to administer subsections 3(c), 11(b) and 13 (which concern the power to designate covenantees other than the entities listed in subsection 3(a) and (b)).

Ministry of Environment Act, R.S.B.C. 1996, c. 299 [Except section 4(2)(d)]

This Act established a Ministry of the public service of the province called the Ministry of Environment. The purposes and functions of the Ministry, the Minister and the Deputy Minister are specified in the act and include:

- administering matters relating to the environment;
- encouraging and maintaining an optimum quality environment;
- undertaking, commissioning and co-ordinating environmental studies;
- developing and sustaining public information and education programs;
- planning, designing, constructing, operating and maintaining all the structures necessary to carry out its mandate; and

- planning, co-ordinating, implementing and managing an environmental emergency or disaster program.

The Act also enables the Minister to acquire property and to enter into agreements with other governments with the approval of the Lieutenant Governor in Council. In addition, the Minister is required to submit an annual report to the Legislative Assembly.

This Act, with the exception of paragraph 4 (2) (d), is now the responsibility of the Ministry of Water, Land and Air Protection. Paragraph 4 (2) (d) is administered by the Ministry of Sustainable Resource Management.

***Ministry of Lands, Parks and Housing Act*, R.S.B.C. 1996, c. 307 [sections 3 (3), 5 (b) & 6 only]**

Sections currently assigned to the Ministry of Water, Land and Air Protection are:

- Section 3(3), which provides the Minister with the power to delegate to another person, subject to instructions, the function of signing a document. (This provision is shared with the Ministry of Sustainable Resource Management.)
- Section 5(b), which describes one of the functions of the Ministry as being to encourage outdoor recreation, establish parks and conserve the natural scenic and historic features of British Columbia.
- Section 6, which provides the Minister with the authority, for the purposes of the Act, to enter into agreements (subject to the approval of the Lieutenant Governor in Council) with the government of Canada, the government of another province, or with any other person or a municipality. (This provision is shared with the Ministry of Sustainable Resource Management.)

***Park Act*, R.S.B.C. 1996, c. 344**

This key protected areas statute provides for the establishment, classification and management of provincial parks and recreation areas dedicated to the preservation of the natural environment for the inspiration, use and enjoyment of the public. Parks are designated by Order in Council or by inclusion in the schedules of the *Protected Areas of British Columbia Act*.

***Park (Regional) Act*, R.S.B.C. 1996, c. 345**

This Act provides for the management of regional park systems by either Regional Districts or through regional park districts established under the Act. The operation of regional parks is governed by the Act. The Minister is responsible for:

- authorizing the acquisition of land for a regional park or trail by lease agreement, and allowing for a lease longer than five years;
- approving regional park bylaws;
- approving the transfer of a municipal park;
- allowing a regional park district to increase the maximum annual requisition for any municipality or electoral area within a regional park district; and
- approving official regional park plans.

***Pesticide Control Act*, R.S.B.C. 1996, c. 360**

The *Pesticide Control Act* establishes a regulatory regime for the control of pesticides. The Act governs the licensing and certification of pesticide sales, purchases and use in the Province. The Act also regulates the application, storage, disposition and transportation of pesticides. The Act also provides for appeals to the Environmental Appeal Board relating to decisions made under the authority of the Act.

***Protected Areas of British Columbia Act*, S.B.C. 2000, c. 17**

The *Protected Areas of British Columbia Act* represents a step in improving the legislative framework for the stewardship of the provincial protected areas system. The Act consolidates in its schedules all of the parks and ecological reserves for the purposes of the *Park Act* and the *Ecological Reserve Act*. The Act ensures that the boundaries of these protected areas can not be altered except by an act of the Legislature.

***Skagit Environmental Enhancement Act*, R.S.B.C. 1996, c. 426**

This Act gives corporate identity in British Columbia to the Skagit Environmental Endowment Commission. The Commission was established by a treaty with the United States (specifically, the City of Seattle) in 1984. The Act provides authority to the Commission to acquire and dispose of property. The fundamental purpose of the Act is to provide a mechanism in British Columbia for protecting biodiversity and administering the disposition of Crown land within an area set out by the Act in the Skagit Valley/ Ross Lake area. The Commission is responsible for the management of the Skagit Environmental Endowment Fund, which can be used by the Commission to acquire property for the purposes of the Act.

***Sustainable Environment Fund Act*, R.S.B.C. 1996, c. 445**

The Act establishes a fund from which the Minister may pay out money to reduce and manage solid, liquid, hazardous and atmospheric waste and for other environmental protection and environmental renewal initiatives.

***Waste Management Act*, R.S.B.C. 1996, c. 482**

The *Waste Management Act* is the main statute for the regulation of pollution and waste in the province, and is the primary responsibility of the Environmental Protection Division. Under the Act, the Ministry is responsible for overall waste management including:

- regulating the confinement, storage, disposal and transportation of special wastes;
- approving discharges requiring a permit;
- regulating spill prevention, reporting and response activities;
- issuing variance orders;
- regulating the production of regional solid, liquid and biomedical waste management plans;
- designating sewage control areas;
- delegating waste management powers to the Greater Vancouver Regional District and other eligible regions;
- enforcing the Act;
- regulating contaminated sites;
- issuing pollution abatement orders;

- developing and operating an appeal process to the Environmental Appeal Board;
- requiring the implementation of regional waste management plans.

***Water Protection Act*, R.S.B.C. 1996, c. 484**

This Act provides essential protection of British Columbia's water. Specifically, the Act:

- confirms ownership of surface water and groundwater in the province;
- prohibits removal of British Columbia's water in bulk supply to locations outside of the province;
- grandfathers existing bulk water removal rights; and
- prohibits large-scale transfers of water between the major watersheds of the province.

***Weather Modification Act*, R.S.B.C. 1996, c. 486**

This Act provides for the mandatory licensing of weather modification activities.

***Wildlife Act*, R.S.B.C. 1996, c. 488**

This Act provides a comprehensive scheme for the regulation of hunting, angling and the management of the Province's wildlife resources. The Act empowers the Ministry to acquire and administer land, improvements on land and timber, timber rights and other rights on private land. Specific responsibilities under the Act include:

- establishing and protecting wildlife management and critical wildlife areas;
- declaring and protecting endangered species;
- granting, suspending and cancelling hunting, angling, firearm, fur trading, trapping, outfitting and guiding licenses;
- prescribing hunter training courses and regulating the import and export of wildlife;
- enforcing the Act;
- establishing and enforcing required quotas; and
- establishing and operating appropriate appeal procedures to the Environmental Appeal Board.

Appendix C

Affiliated Agencies, Boards and Commissions

The Ministry of Water, Land and Air Protection works closely with the following government offices created to support provincial environmental initiatives.

Class C Provincial Park Boards

Class C parks are generally small parks located in outlying, unincorporated communities and are intended to service the local area. Park facilities are usually limited to picnic and playground areas though, in some cases, they also include campsites or community halls. Class C Park Boards are appointed by the minister to develop, manage and maintain their designated Class C park in accordance with the Park Act and Class "C" Park Regulations (B.C. Reg 227/67). A Park Board consists of not less than three and not more than seven members and, on appointment of its members, is a corporation. Each of the present 11 Class C Park Boards is required to submit an annual report to the Minister.

Co-Management Parks Boards

Since 1992, BC Parks has negotiated 12 memoranda of understanding with First Nations, establishing collaborative management as a mechanism to improve working relationships with First Nations and to recognise mutual interest in protected area management. Typically, a board is comprised of two First Nations representatives, one representative from local government or regional district and a BC Park's representative. Each agreement is based on the assertion of aboriginal rights to traditional resources and commits the parties to work together in a spirit of cooperation and respect, reflective of the government-to-government relationship. Once rights, obligations and protocols have been established, the primary function of each agreement is to create effective decision-making procedures. The Co-Management Parks Boards either provide advise to, or get directly involved in, one or more of the following: planning, management, maintenance and operation of provincial parks.

Creston Valley Wildlife Management Authority

The Creston Valley Wildlife Management Authority (CVWMA) is mandated by the *Creston Valley Wildlife Act*. The CVWMA manages a 7,000 hectare (17,000 acres) wildlife management area in the Creston Valley. The Authority is made up of a public member and a provincial government member appointed by the Minister and a federal government member. The area is largely marshland that was impacted by the dams of the Columbia River Treaty and now has to be actively managed to retain the marsh habitat that is vital to the wildlife populations in the area. The area is maintained largely by manipulating water levels (some are specified by the International Joint Commission) and actively managing vegetation. The CVWMA also has an information/education program and operates a 576 sq. meter (6,200 sq. ft.) visitor centre. The 2002/03 budget for the CVWMA is $530,000.

Environmental Appeal Board

The board is an independent quasi-judicial regulatory agency established under the *Environment Management Act* of 1981 (Section 11), with members appointed by the Lieutenant Governor in Council. The board hears appeals on decisions under the *Waste Management Act*, the *Wildlife Act*, the *Pesticide Control Act*, the *Water Act*, the *Commercial River Rafting Safety Act*, and the *Health Act* [Section 8(4)]). For 2001/2002, the board received approximately 130 appeals against 110 orders/permits/decisions.

Grizzly Bear Trust Fund Public Advisory Board

The fund is a legal trust established in 1995 as part of the Grizzly Bear Conservation Strategy. The Minister is the Trustee for the Fund and appoints the members to the Board, which must consist of between seven to 15 members. The Trustee must consult with the Advisory Board and the Director of Wildlife before spending money from the Fund or disposing of any property from the Fund. The Habitat Conservation Trust Fund Public Advisory Board is acting as the interim Board for this Advisory Board. Three projects expended $80,000 in 2001-2002.

Habitat Conservation Trust Fund Public Advisory Board

The HCTF is a statutory purpose trust established under the *Wildlife Act* (1996) that was originally a special account established in 1981 to assist in the preservation and enhancement of fish and wildlife and their habitats. The trust fund is a long term and highly successful partnership between users and the government. The board is made up of 12 to 15 members appointed by the trustee, the minister, from the general public. The board is responsible for reviewing habitat enhancement and acquisition proposals and making recommendations to the minister (trustee) regarding the management and administration of the fund. Funds come from surcharges on hunting, trapping, angling and guiding licences, court awards, donations, and sale of educational materials.

Skagit Environmental Endowment Commission

The Skagit Environmental Endowment Fund was established in 1984 as part of the Ross Lake/Seven Mile Reservoir Treaty between the United States and Canada (1984-2065). Powers of the Commission are legislated under the *Skagit Environmental Enhancement Act*. The purpose of the fund is to "conserve and protect wilderness and wildlife habitat" and to "enhance recreational opportunities" in the upper Skagit watershed above the Ross Dam south of Hope. The Commission administers the $6 million Skagit Environmental Endowment Fund and consists of 16 members, four full members and four alternates appointed by the Mayor of Seattle and four full members and four alternates appointed by the Premier on the recommendation of the Minister. The Commission reviews, selects and funds projects and informs both the Province of British Columbia and the Seattle City Council, as trustees and administrators of the fund, on expenditures from the Fund. The Commission funded 15 projects in 2001/02 with a total award value of US$291,000 (CA$446,000).

British Columbia
Environmental Assessment Office

2001/02
Annual Report
A New Era Update

BRITISH
COLUMBIA

British Columbia
Environmental Assessment Office

National Library of Canada Cataloguing in Publication Data
British Columbia. Environmental Assessment Office.
Annual Report. — 1995/1997 -

Annual.
First report covers the periods of Apr. 1, 1995 to Mar. 31, 1996 and Apr. 1, 1996 to Mar. 31, 1997.
Report year ends Mar. 31.

ISSN 1480-5561 = Annual Report - British Columbia. Environmental Assessment Office

1. British Columbia. Environmental Assessment Office - Periodicals. 2. Environmental impact analysis - British Columbia - Periodicals.

TD194.68.C32B74 354.3'28'0971105 C97-960035-1

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Published by the Environmental Assessment Office
2353-2

Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Environmental Assessment Office Annual Report was prepared under my direction and I am accountable for the results the agency achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.

Stan Hagen

Stanley B. Hagen
Minister of Sustainable Resource Management

July 11, 2002

BRITISH
COLUMBIA

Ministry of Sustainable Resource Management

The Environmental Assessment Office plays an important role in British Columbia by delivering a thorough, timely and integrated environmental assessment process which promotes the provincial goal of sustainability by protecting the environment and fostering a sound economy.

While there are a number of strengths to the current process, the Core Services Review identified significant shortcomings and concluded that strategic shifts were required to improve the process. A number of reform initiatives are underway, including the development of a new *Environmental Assessment Act*.

I am pleased to present the British Columbia Environmental Assessment Office Annual Report: A *New Era* Update for the period April 1, 2001 to March 31, 2002. The purpose of this annual report is to facilitate the public's understanding of the core business of the Environmental Assessment Office, the resources it employs, and its progress towards achieving performance targets outlined in the Environmental Assessment Office Service Plan 2002/03 to 2004/05.

I look forward to the next few years as we work to implement the Environmental Assessment Office's service plan that will lead us into a sustainable future.

Stan Hagen

Stanley B. Hagen
Minister of Sustainable Resource Management

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Year-at-a-Glance Highlights

Overview

British Columbia's *Environmental Assessment Act* (the Act) became law in June 1995 and establishes a process for assessing the impacts, both positive and negative, of major project proposals. The mandate of the Environmental Assessment Office is to deliver a comprehensive and timely environmental assessment process that balances economic, environmental, social, cultural, heritage and health issues.

Projects

During the 2001/02 fiscal year, the Environmental Assessment Office completed environmental assessments of three major project proposals (Appendix 1). The Environmental Assessment Office provided recommendations to Ministers for the following projects, which subsequently obtained certification under the Act.

- Brilliant Powerplant Expansion Project
- Slocan-LP OSB Plant
- North Lakeside Well Project

Brilliant Powerplant Expansion Project (Brilliant Expansion Power Corporation)

In November 2000, Brilliant Expansion Power Corporation, a joint venture of Columbia Power Corporation and Columbia Basin Trust, submitted an application for federal and provincial approval to construct and operate the Brilliant Expansion Project. This $150 million project includes a new 100 megawatt power plant at the Brilliant Dam on the Kootenay River located approximately three kilometres upstream from its confluence with the Columbia River at Castlegar. Project approval certification was granted in October 2001. Construction is underway, generating approximately 410 person-years of employment. A comprehensive Environmental Management Plan will guide project construction and operation.

Slocan-LP Oriented Strand Board Plant (Slocan-LP OSB Corp)

In August 2001, Slocan-LP OSB Corp, a joint venture of the Slocan Group and Louisiana-Pacific Canada Limited, applied for approval to build and operate an oriented strand board (OSB) plant in Fort St. John. The $142 million project, designed to produce 760 million square-feet of oriented strand board annually, will provide a total of 516 full-time jobs. Project approval certification was granted in January 2002. Due to market conditions, construction of the mill has not yet begun.

North Lakeside Well Project (City of Williams Lake)

In July 2001, the City of Williams Lake applied for approval for the North Lakeside Well Project, a 130 litres per second groundwater extraction well. The purpose of the $885,000 project was to increase the reliability of the City's water supply system by providing a secondary well source that is reasonably independent from the existing supply wells and to allow for future growth. Project approval certification was granted in October 2001.

Amended Certificates & Projects Under Review

In addition to those reviews completed during the 2001/02 fiscal year, 20 projects were in various stages of the environmental assessment process (Appendix 2). In addition, approximately 26 projects were at various stages of pre-application, a stage at which reviewability is determined and proponents gather information in preparation for entering the formal environmental assessment process. Also, 11 existing project approval certificates were amended (Appendix 1).

All projects under review generate some level of stakeholder interest. During this period, the Tulsequah Chief Mine Project and the Port Alberni Generation Project stand out as projects that generated considerable interest and activity among First Nations, the public and other stakeholders.

Tulsequah Chief Mine Project

The Tulsequah Chief Mine Project, located in northwestern British Columbia, was approved in March 1998 following a three and a half year review. The Taku River Tlingit First Nation had concerns about the approval and sought a judicial review, which resulted in the project approval certificate being quashed by the British Columbia Supreme Court.

In response to the court order, the Environmental Assessment Office re-convened the project committee that reviewed the mine proposal to meaningfully address the concerns raised by the Taku River Tlinglits. The project committee met twice between April 2001 and January 2002 and the Environmental Assessment Office held public information meetings in Atlin, Whitehorse and Juneau in early December 2001.

On January 31, 2002, the British Columbia Court of Appeal ruled that the proposal for the Tulsequah Chief Mine project should be remitted directly to the Ministers for decision. The Ministers who will make a decision on the project are the Minister of Sustainable Resource Management and the Minister of Energy and Mines. This court ruling ended the re-convened project committee process before the project committee completed its work.

As of March 31, 2002, the Environmental Assessment Office was seeking direction regarding the basis for the remittance to the Ministers.

Port Alberni Generation Project

During the summer and fall of 2001, the Port Alberni Generation Project, a 295 megawatt combined cycle gas turbine natural gas-fired electricity generating facility proposed by a joint venture of subsidiaries of BC Hydro and Calpine Inc., was subjected to a review under the Act. The proposed location of the plant, in relatively close proximity to schools, recreational facilities and residential areas, resulted in significant public opposition. The project proceeded to a Stage 2 environmental assessment review. However, the proponent withdrew its application in December 2001 after the City of Port Alberni rejected an application for necessary re-zoning of the project site.

Environmental Assessment Reform and Transition

As a result of the Core Services Review, the Environmental Assessment Office will be undertaking a major reform of the environmental assessment process to make it more flexible, efficient and effective. A new *Environmental Assessment Act* was being developed, as of March 31, 2002.

Agency Role and Services

Overview

The Environmental Assessment Office is a neutral office which leads reviews of large-scale projects being proposed for development in British Columbia. Environmental assessment is a process for identifying, predicting, evaluating, and mitigating potentially adverse impacts of major projects. At every stage of the review, the process provides opportunities for meaningful participation by the proponent, the public, First Nations and any relevant government agencies, including those from neighbouring jurisdictions.

The Environmental Assessment Office's vision is *sustainable economic development that reflects the social, cultural and environmental values of British Columbians.* The Environmental Assessment Office provides British Columbians with a carefully designed and well-delivered environmental assessment process that reflects the government's objectives for economic growth, strong communities and sustainable resource management, based on maintaining high environmental standards.

The Environmental Assessment Office is committed to a number of principles and values that guide its work. The agency applies the principles of neutrality, fairness, balance, science-based decision making and intergovernmental cooperation. These principles are achieved by executing an environmental assessment process that is neutrally and centrally administered; by a fair and open review process — with appropriate First Nations and public consultation, ensuring meaningful opportunities for input; by subjecting issues to integrated consideration and with decisions based on impartial, balanced and informed recommendations, with the use of the best available knowledge and technology.

The Environmental Assessment Office applies and adheres to agreed values such as cooperation and teamwork; respect for the values and opinions of others; continuous improvement to ensure quality service; a professional and high-performance culture, encouraging innovation and creativity; accountability to the people of British Columbia; and a healthy workplace supporting staff development, recognition, and opportunity.

Goals

Introduction

During fiscal year 2001/02, the Environmental Assessment Office aimed to achieve its mission through the realization of four broad goals[1]:

1. To protect the environment and public health;
2. To foster a sound economy;
3. To respect social, cultural and heritage values; and
4. To achieve organizational excellence.

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[1] Reflected in the *Environmental Assessment Office Performance Plan 2001/02 to 2003/04* (available on-line at www.eao.gov.bc.ca/publicat/per_plan/eao%20performance%20plan.pdf)

The Environmental Assessment Office received its strategic direction during the Core Services Review and prepared its Service Plan tailored to the *New Era* commitments. The *Environmental Assessment Office Service Plan 2002/03 to 2004/05* was released in February 2002 and includes two distinct goals and associated objectives, performance measures and targets[2]. The first goal focuses on efficient and effective delivery of environmental assessment, and the second goal targets organizational excellence. The two goals outlined in the Service Plan will be adhered to during the next three fiscal years and will be reported on annually.

Service Plan Goals

Goal 1: Efficient and Effective Delivery of Environmental Assessment

This goal has been pursued through two objectives — a continual improvement of provincial environmental assessment and increased procedural certainty where both the provincial and federal review processes are triggered.

The highest priority has been the re-design of the environmental assessment process, accompanied by new legislation and a strategy to ensure a smooth transition for projects in mid-review as the process is reformed.

This goal also supports the government's commitment to implement performance-based environmental standards, and to enhance the alignment between environmental assessment and permitting/licensing.

Since a large majority of proposed major projects trigger both a federal and provincial environmental assessment, initiatives have been designed to further increase certainty and enhance federal/provincial cooperation to minimize overlap and duplication.

Goal 2: Organizational Excellence

This goal has been pursued by ensuring that the Environmental Assessment Office has the organizational capacity to provide efficient and effective delivery of environmental assessment. This also entails ensuring effective communication with all those involved with environmental assessment.

[2] See *Environmental Assessment Office Service Plan 2002/03 to 2004/05*, p. 6 (available on-line at www.gov.bc.ca/prem/popt/corereview/srv_pln/eao/eao.pdf)

Update on *New Era* Commitments

New Era

While no *New Era* commitments refer specifically to environmental assessment, an environmental assessment process reformed in line with the key strategic shifts endorsed by the government during the Core Services Review (see below) would help to further several important commitments, especially those for: economic recovery; sustainable resource development; improved business climate; more rapid approvals/access to Crown land; reduced red tape; decision-making which is principled, balanced, scientifically-based and open; results-based resource management; and fiscal accountability.

Core Services Review

In November 2001, as a result of the Core Services Review, the government concluded that environmental assessment is in the public interest, and needs to be retained as a role of the provincial government. The environmental assessment process will continue to be delivered by a neutral agency similar to the current Environmental Assessment Office, but based on substantially streamlined procedures. Legislative reform is central to our new direction, with the current highly prescriptive *Environmental Assessment Act* to be replaced to allow broad flexibility to custom-design the process on a project-by-project basis. A new Bill is to be introduced during the Spring 2002 Legislative Session.

Key Strategic Shifts

The strategic shifts summarized below were adopted as part of Environmental Assessment Office's Core Services Review direction. Beginning in 2002 and continuing throughout the next three years, the Environmental Assessment Office will be undertaking a major reform of the current environmental assessment process in order to implement a number of significant strategic shifts.

Some of these strategic shifts include a transition from a prescriptive to an enabling statute that introduces broad flexibility to the process; from a pre-occupation with process to an approach that focuses on the specific issues related to the project; from a standardized to a customized process, tailoring the process to the specific needs of the project and minimizing the government's administrative burden; from a process providing limited proponent choice to one which increases a proponent's procedural options; from a process that can be costly to government and proponents to a streamlined and cost-effective process; and from a process prone to overlap with the federal environmental assessment process to a more complementary approach, based on enhanced cooperation and harmonization to minimize duplication.

Significant progress was made on these strategic shifts during the 2001/02 fiscal year.

Progress in Implementing the *New Era*

The first task has been to complete the Service Plan, reflecting *New Era* and Core Services Review direction. The *Environmental Assessment Office Service Plan 2002/03 to 2004/05* was released in February 2002. The second major accomplishment has been to begin work on reforming the legislative basis for the environmental assessment process. By March 31, 2002, the Environmental Assessment Office had prepared Bill 38, a new *Environmental Assessment Act*, for introduction into the Spring 2002 Legislative Session.

Performance Reporting

Performance measures and targets, outlined below, track the Environmental Assessment Office's progress towards meeting its goals.

For fiscal year 2001/02, performance is reported as progress towards targets established for fiscal year 2002/03 and beyond and outlined in the *Environmental Assessment Office Service Plan, 2002/03 to 2004/05.* For many performance measures, 2001/02 results represent a baseline for gauging progress in subsequent reporting periods.

GOAL 1
Efficient & Effective Delivery of Environmental Assessment

Performance Measure	2001/02 Estimate	2001/02 Actual	2002/03 Target	Rationale / Explanation
Success in meeting timelines – percent of reviews completed on time.	67% to January 2002. Benchmark to be determined in fiscal year 2001/02.	67% Reviews of the Slocan-LP Oriented Strand Board Plant and the North Lakeside Well projects were completed on time. Timeline extensions were granted for the completion of the Brilliant Powerplant Expansion Project review.	80%	The Brilliant Powerplant Expansion Project review required two timeline extensions. One was issued at the proponent's request to provide adequate time to respond to comments from the public, First Nations and government agencies. The second extension was issued at the request of the project committee chair to provide sufficient time to resolve several outstanding issues and finalize the project committee's recommendations.
Participants' perceptions of a professional, expert, fair and open review process.	In progress. Benchmark to be determined in fiscal year 2001/02.	(a) Proponents – Interviews completed. – See *Other Features* for details. (b) Other participants – Surveys completed. – See *Other Features* for details.	(a) Proponents – continual improvement (b) Other participants – maintain or improve	Key Question[1]: "EAO supports informed decision making" – 77% agreement among review agencies. – 75% agreement among First Nations. – 34% agreement (27% neutral) among other review participants (public, non-government organizations, and consultants).

[1] As defined by BC Stats. Margin of error is ±3.3% 19 times out of 20.

GOAL 1 con't

Performance Measure	2001/02 Estimate	2001/02 Actual	2002/03 Target	Rationale / Explanation
Cost per project under review – average annual government EA costs.	$317K Benchmark to be determined in fiscal year 2001/02.	$317K	Maintain.	It is estimated that upon full implementation of proposed reforms, the costs to government of the environmental assessment process can be reduced by about one-third, without significant reduction in the number of projects that are subject to review and with no reduction in review quality.
Approved plan for cooperative federal/provincial relationship to guide joint reviews	In progress.	In progress. An extension to the current federal-provincial cooperation agreement is being negotiated.	Complete.	An interim agreement will include measures to address duplication issues. A new long-term agreement will be sought once changes to both federal and provincial legislation are in force.

GOAL 2
Organizational Excellence

Performance Measure	2001/02 Estimate	2001/02 Actual	2002/03 Target	Rationale / Explanation
Organizational development and planning – percent of staff performance agreements in place.	In progress.	In progress. Human Resource Plan 2002/03 to 2004/05[4] completed in May 2002.	50% of staff with performance agreements in place by end March 31, 2003.	Further progress pending revision of organizational structure to support proposed reforms.
Switch to electronic documentation – number of EAO website visits per year.	244,340 to January 2002.	328,426	Continual improvement (10% increase).	e-Registry cost and feasibility assessment completed in March 2002. Electronic Project Information Centre (ePIC) design and build in progress. Implementation scheduled for late summer 2002 (See *Other Features*).

[4] Environmental Assessment Office Human Resource Plan 2002/03 to 2004-05. Available on-line at www.eao.gov.bc.ca/publicat/eao_hr_plan.pdf

Report on Resources

2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Core Business	3,492	0	3,492	2,991	(501)
Full-time Equivalents (FTEs)					
Total	38	5	43	38	(5)
Ministry Capital (Expenditures) ($000)					
Information Systems	176	12	188	119	(69)
Other	10	0	10	0	(10)
Total	186	12	198	119	(79)

Other Features

Exit Surveys on Organizational Performance

A major performance measure under strategies developed for the *Environmental Assessment Office Performance Plan 2001/02 to 2003/04* — as well as for the *Environmental Assessment Office Service Plan 2002/03 to 2004/05* — is the assessment of review participants' perceptions of a professional, expert, fair and open review process under the Act. The Environmental Assessment Office commissioned two separate but complementary modes of exit surveys designed to gauge stakeholder perceptions. Face-to-face interviews with proponents were conducted to gather information and advice from proponents. A web-based survey managed by BC STATS was used to collect stakeholders' (excluding proponents) input on a variety of aspects of organizational performance. An overview of responses to both surveys is reported below.

Feedback from proponents

As an overall summary of the main issues of concern to proponents, three areas stand out. These relate to the Environmental Assessment Office's performance in delivering the environmental assessment process, the environmental assessment review process itself, and the involvement of other agencies in the process. The key issue areas are:

Strategic versus Non-Strategic Issues — Despite the Environmental Assessment Office's efforts to focus project reviews on strategic questions that are relevant to a project approval-in-principle decision, there remain problems in the operational ability to do this in a manner that is accepted by all review participants. Proponents believe that environmental assessment reviews are giving too much attention to non-critical issues and this is affecting process timeliness and cost-effectiveness.

Process Inflexibility — Proponents would like to see greater customization of review procedures so that there is a better match between what proponents are asked to do and the benefits of those efforts for decision-making (*e.g.*, increased customization of: public participation/notification requirements, requirements for placement of materials on the public registry, requests for proponents to respond to issues raised by the public).

Also, it is thought that there is little, if any, public benefit in subjecting small, low impact projects to environmental assessment review merely because they exceed thresholds for reviewability set by the *Environmental Assessment Reviewable Projects Regulation (B.C. Reg 276/95)*. Flexibility is needed to determine the nature and scope of reviews, possibly including fast-tracking or quicker 'off ramps', based on an initial assessment of impact / risk significance.

Federal-Provincial Process Harmonization — Although there exists a federal-provincial agreement on harmonizing the federal and provincial environmental assessment processes, there remain some significant challenges in implementing reviews that require joint approval. Proponents advised that federal powers under the *Canadian Environmental Assessment Act* and resource statutes like the *Fisheries Act* are often not easily integrated with the provincial environmental assessment process.

Results of stakeholder surveys (conducted by BC STATS)

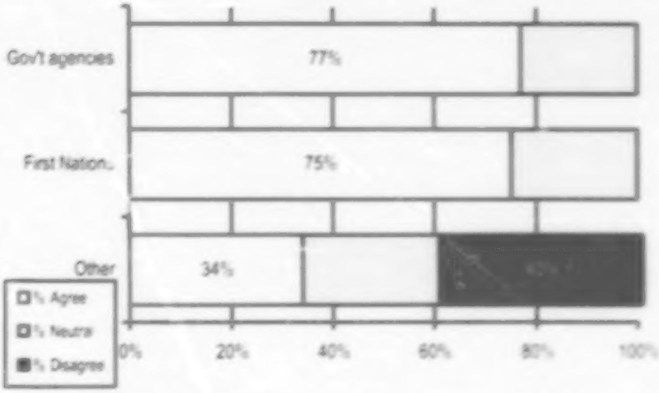
The Environmental Assessment Office commissioned performance management surveys of review participants and stakeholders who had been involved in any of four projects concluded during the fiscal year 2001/2002 (Brilliant Powerplant Expansion Project, Slocan-LP OSB Plant, North Lakeside Well Project, and Port Alberni Generation Project). The objective of the survey was to gauge perceptions of the Environmental Assessment Office's organizational capacity to deliver an expert, fair and open environmental assessment review process that supports informed decision-making.

The key question of the survey focussed on support for informed decision-making. It asked for agreement or disagreement with the statement:

> "In general, Environmental Assessment Office reporting was based upon an appropriate assessment of the effects of the project and proposed mitigation."

Seventy-seven percent of respondents from government agencies agreed or strongly agreed with this statement, as did 75% of First Nations respondents. Only 34% of the others (public, non-governmental organizations and consultants) strongly agreed or agreed while 27% were neutral or had no strong opinion (Figure 1).

Figure 1. Supporting Informed Decision Making



Other questions of the survey asked for agreement or disagreement with various aspects of organizational performance, including organizational capacity, timeliness, expertise, fairness, openness. Stakeholders were also asked to rate the extent to which the environmental assessment review process met expectations related to outcomes, including protecting the environment, protecting public health, respecting social, cultural and heritage values, and fostering a sound economy.

Certification Compliance

The *Environmental Assessment Act* does not include any specific obligations for the Environmental Assessment Office to conduct compliance monitoring of certification conditions. Usually, certification conditions are associated with statutory permitting and other programming interests of one or more line agencies. Thus, it has been the operational practice of the Environmental Assessment Office to rely on the agency responsible for the issue addressed by each certificate condition to be responsible for tracking compliance with that condition. In fiscal year 2001/02, the Environmental Assessment Office examined the effectiveness of this approach by initiating a certification compliance review for three previously certified projects.

One report on the Island Co-generation Project in Campbell River was completed. Certification compliance reviews of the LaFarge Cement Plant Upgrading Project and the Kemess South Mine Project were in progress and nearing completion as of March 31, 2002.

Intergovernmental

British Columbia - Canada

Over the past year, the Environmental Assessment Office continued to work cooperatively with the federal government on environment assessments of major projects to meet the objectives of the five year Canada-British Columbia Agreement for Environmental Assessment Cooperation signed April 17, 1997.

As of March 31, 2002 the Environmental Assessment Office was negotiating with the Canadian Environmental Assessment Agency for an extension of the cooperation agreement. A new agreement will be negotiated once reforms to both the provincial and federal legislation are in force.

British Columbia - Washington State

The Environmental Assessment Office signed a memorandum of understanding with the Washington State Department of Ecology regarding cooperation on environmental assessment in June, 2001. The purpose of the protocol is to ensure that each jurisdiction provides notice of and information about projects that are within 100 km of the international border and therefore could have effects on the neighbouring jurisdiction.

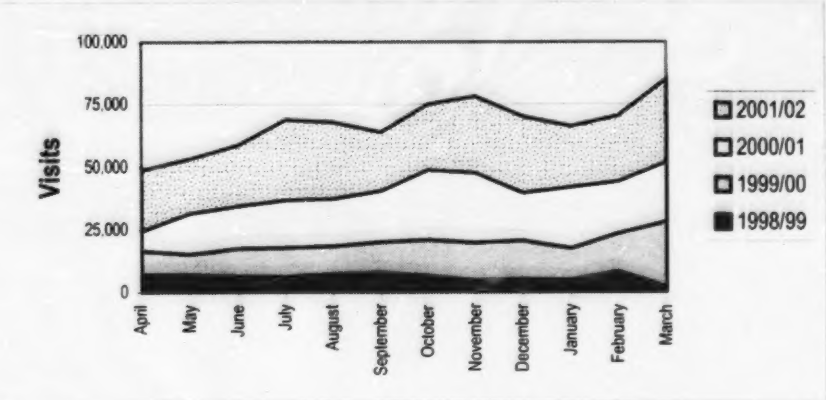
The Environmental Assessment Office invited the Department of Ecology to participate in the Brilliant Powerplant Expansion Project of the Kootenay River near Castlegar and the Cascade Heritage Power Park on the Kettle River, two kilometres south of Christina Lake in the Regional District of Kootenay Boundary. State agencies elected to participate as reviewing agencies.

The Environmental Assessment Office has received notice about projects with which the Department of Ecology has direct involvement in Washington State, but to date British Columbia has determined it has no interest in these projects. The notice and information provisions do not extend to projects covered by the Washington State Energy Facility Site Evaluation Council.

Electronic Project Information Centre

The Project Registry is the principal means of providing public access to environmental assessment information. Since the inception of the Environmental Assessment Office website in 1997, the Internet has become an increasingly popular and important tool for providing this access to information regarding project reviews (Figure 2).

Figure 2. EAO Web Visits



The primary information management project for the Environmental Assessment Office is the development and implementation of an Electronic Project Information Centre that supports a focus on client service and leadership in electronic government. The project is essential to providing efficient and effective environmental assessment, and to ensuring open government and accountable decision-making. The Electronic Project Information Centre will complement or replace existing information management systems to minimize duplication, wherever possible.

Annual Report Appendices

APPENDIX 1 Certified Projects

Summary of Projects Certified between April 1, 2001 and March 31, 2002

Project (proponent)	Location	Investment ($million)	Jobs		Date Certified
			Construction (person-years)	Operating (permanent)	
Brilliant Expansion Project (Brilliant Expansion Power Corp.)	Near Castlegar on Kootenay River	150.0	466	3	October 16, 2001
Slocan-LP OSB Plant (Slocan-LP OSB Corp.)	Fort St. John	142	300	516	January 14, 2002
North Lakeside Well Project (City of Williams Lake)	Williams Lake	0.885	5	0	October 24, 2001

Project Certificate Amendments from April 1, 2001 and March 31, 2002

Project (proponent)	Location	Description	Date
Fort Nelson Electrical Generation Project Amendment 1 (BC Hydro)	Fort Nelson	Provide notification of the intention of TransAlta to dispose of its entire interest in the Project to BC Hydro	August 17, 2001
Highway Gas and Liquids Plan and Pipeline Project Amendment 1 (Westcoast Gas Services Inc.)	120 km NW of Fort St. John	Sale lease-back transaction between WGSI and JJH Equipment Trust	April 4, 2001
Jedney Gas Plant Amendment 1 (Westcoast Gas Services Inc.)	145 km NW of Fort St. John	Sale lease-back transaction between WGSI and JJH Equipment Trust	April 4, 2001
Jedney Gas Plant and Pipeline Amendment 1 (Westcoast Gas Services Inc.)	145 km NW of Fort St. John	Sale lease-back transaction between WGSI and JJH Equipment Trust	April 4, 2001
Keenleyside Powerplant Amendment 6 (Columbia Power Corporation)	Columbia River at Castlegar	Change the wording in Commitment 171 of the Certificate	May 14, 2001
Keenleyside Powerplant Amendment 7 (Columbia Power Corporation)	Columbia River at Castlegar	Change the traffic management plan which would permit construction workers to access the project site via Broadwater Road	August 2, 2001
Keenleyside Powerplant Amendment 8 (Columbia Power Corporation)	Columbia River at Castlegar	Report the maximum capacity of the powerplant to be 185 MW rating for the generator	October 2, 2001
Keenleyside Powerplant Amendment 9 (Columbia Power Corporation)	Columbia River at Castlegar	Extend the date to excavate the tailrace plug from September 15, 2001 to November 15, 2001	October 2, 2001

Project (proponent)	Location	Description	Date
Keenleyside Powerplant Amendment 10 (Columbia Power Corporation)	Columbia River at Castlegar	Extend the date from September 30, 2001 to October 31, 2001 to allow construction workers to access the Broadwater Road as outlined in amendment 7	October 2, 2001
Pingston Creek Hydroelectric Amendment 3 (Canadian Hydro Developers Inc.)	60 km South of Revelstoke	Adds the document Notice of Proposed Change to the Certificate with respect to an increase in total installed capacity from 25 MW to 30 MW and add condition 9 to the Certificate	April 2, 2001
Sulpurets Gold/Siver Project Amendment 3 (Newhawk Gold Mines Ltd.)	North of Stewart	Extend the Certificate until September 20, 2003 and to add Condition 10	July 4, 2001

APPENDIX 2 Projects Under Review

Summary of Projects Under Review as of March 31, 2002

Project (proponent)	Location	Investment ($million)	Jobs		Status of Review
			Construction (person-years)	Operating (permanent)	
Cascade Heritage Power Park Project (International Powerhouse Energy Corporation)	Near Christina Lake	24.0	40.0	3.0	Awaiting Project Report from proponent (Stage 2)
Crowsnest Co-generation Plant Project (Crowsnest Cogeneration Partnership)	Crowsnest, Alberta – Near Crowsnest Pass				Awaiting Project Report Addendum from proponent
Kwoiek Creek Hydroelectric Project (Kanaka Bar Indian Band)	Fraser Canyon 22 km S of Lytton	90.0	100.0	6.0	Awaiting Project Report from proponent (Stage 2)
Revelstoke Unit 5 Generation Project	Columbia River at Revelstoke				Suspended at proponents request
Bronson Slope Gold and Copper Mine (Skyline Gold Corporation)	Iskut River Region	130.0	250.0	115.0	Awaiting Project Report from proponent (Stage 2)
Cariboo Gold Mine (International Wayside Gold Mines Ltd.)	Adjacent to Wells	60.0	150.0		Awaiting an application amendment from proponent
Crystal Peak Garnet Project (Polestar Exploration Inc.)	Headley, W of Penticton, Apex area				Not proceeding with the review at the request of the proponent

Project (proponent)	Location	Investment ($million)	Jobs		Status of Review
			Construction (person-years)	Operating (permanent)	
Inland Pacific Connector Pipeline Project (BC Gas Utility Ltd.)	**Oliver to Huntingdon**	**49.5**			**Awaiting Project Report from proponent (Stage 2)**
Prosperity Gold-Copper Project (Taseko Mines Limited)	**125 km SW of Williams Lake**	**900.0**	**700.0**	**650.0**	**Awaiting Project Report from proponent (Stage 2)**
Red Chris Copper and Gold Mine (American Bullion Mineral Ltd.)	**20 km SW of Iskut in Northern BC**	**252.0**	**420.0**	**238.0**	**Awaiting Project Report from proponent (Stage 2)**
Silvertip Silver/ Lead/Zinc Mine Project (Silvertip Mining Corporation)	**85 km SW of Watson Lake, Yukon**	**40.0**	**150.0**	**140.0**	**Awaiting Project Report from proponent (Stage 2)**
Telkwa Coal Project (Luscar Ltd.)	**14 km S of Smithers**				**The proponent has decided not to proceed with development at this time**
Tulsequah Chief Project Court of Appeal (Redcorp Ventures Ltd.)	**Taku River, S of Atlin**	**155.0**	**300.0**	**250.0**	**Proposal to be remitted directly to Ministers by Order of Court Appeal, January 31, 2002**
Wolverine Coal Mine (Western Canadian Coal Corp.)	**NW of Tumbler Ridge**	**75.0**			**Drafting Project Report Specifications**

Project (proponent)	Location	Investment ($million)	Jobs		Status of Review
			Construction (person-years)	Operating (permanent)	
Garibaldi at Squamish Mountain Resort Development	**13 k N of Squamish**	**237.8**	**3,048.0**	**6,501.0**	**Awaiting Project Report from proponent (Stage 2)**
Jumbo Glacier alpine Resort Project (Pheidias Project Management Corporation)	**Jumbo Valley near Invermere**	**552.0**	**670.0**	**1,000.0**	**Awaiting Project Report from proponent (Stage 2)**
Siverberry Secure Landfill (Canadian Crude Seperators Inc.)	**50 k N of Fort St. John**				**Application review, public comment period April 17 to May 31, 2002**
Basal Aquifer Dewatering Project (Highland Valley Copper Corp.)	**W of Logan Lake**				**Application review, public comment period to May 27, 2002**
Cranbrook Deep Wells Project (Corporation of the City of Cranbrook)	**City of Cranbrook**				**Subject to an Order-in-Council. Awaiting supplementary information**
Kamloops Groundwater Project (City of Kamloops)	**Kamloops**	**5.0**	**6.0**		**Timeline extension requested by proponent. Awaiting proponent submission, expected May 2002 (Stage 1)**